

1.24

ARTICLE 1

1.25

ENERGY AND UTILITIES

32.1

Sec. 30. APPROPRIATIONS.

32.2

Subdivision 1. Advanced nuclear study. \$150,000 in fiscal year 2023 is appropriated

32.3

from the general fund to the commissioner of commerce to conduct an advanced nuclear

32.4

study and develop a report. This is a onetime appropriation.

186.13

ARTICLE 17

186.14

COMMERCE APPROPRIATIONS

186.15 Section 1. APPROPRIATIONS.

186.16 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

186.17 and for the purposes specified in this article. The appropriations are from the general fund,

186.18 or another named fund, and are available for the fiscal years indicated for each purpose.

186.19 The figures "2022" and "2023" used in this article mean that the appropriations listed under

186.20 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

186.21

APPROPRIATIONS

186.22

Available for the Year

186.23

Ending June 30

186.24

2022

2023

186.25

Sec. 2. DEPARTMENT OF COMMERCE

\$

-0- \$

66,341,000

186.26

(a) \$4,000,000 in fiscal year 2023 is for

186.27 deposit in the solar on public buildings grant

186.28 program account for the grant program

186.29 described in Minnesota Statutes, section

186.30 216C.377. This appropriation may not be used

186.31 to provide grants to public buildings located

186.32 within the electric service area of the electric

186.33 utility subject to Minnesota Statutes, section

187.1 116C.779. This is a onetime appropriation and

187.2 remains available until June 30, 2025.

187.3

(b) \$30,000,000 in fiscal year 2023 is to

187.4 provide grants to community action agencies

187.5 and other agencies to weatherize residences

187.6 and to install preweatherization measures in

187.7 residential buildings occupied by eligible

187.8 low-income households, as provided under

187.9 Minnesota Statutes, sections 216B.2403,

- 187.10 subdivision 5; 216B.241, subdivision 7; and
187.11 216C.264. Of this amount:
- 187.12 (1) up to ten percent may be used to
187.13 supplement utility spending on
187.14 preweatherization measures as part of a
187.15 low-income conservation program; and
- 187.16 (2) up to ten percent may be used to:
- 187.17 (i) recruit and train energy auditors and
187.18 installers of weatherization assistance services;
187.19 and
- 187.20 (ii) provide financial incentives to contractors
187.21 and workers who install weatherization
187.22 assistance services.
- 187.23 The base in fiscal year 2024 is \$15,000,000
187.24 and the base in fiscal year 2025 is
187.25 \$15,000,000.
- 187.26 For the purposes of this paragraph:
- 187.27 (A) "low-income conservation program"
187.28 means a utility program that offers energy
187.29 conservation services to low-income
187.30 households as part of the utility's energy
187.31 conservation and optimization plan under
187.32 Minnesota Statutes, section 216B.2403,
187.33 subdivision 5, or 216B.241, subdivision 7;
- 188.1 (B) "preweatherization measure" has the
188.2 meaning given in Minnesota Statutes, section
188.3 216B.2402, subdivision 20;
- 188.4 (C) "weatherization assistance program"
188.5 means the federal program described in Code
188.6 of Federal Regulations, title 10, part 440 et
188.7 seq., designed to assist low-income households
188.8 to reduce energy use in a cost-effective
188.9 manner; and
- 188.10 (D) "weatherization assistance services" means
188.11 the energy conservation measures installed in
188.12 households under the weatherization assistance

32.5 Subd. 2. **Solar for schools.** \$4,150,000 in fiscal year 2023 is appropriated from the
 32.6 general fund to the commissioner of commerce to provide financial assistance to schools
 32.7 to purchase and install solar energy generating systems under Minnesota Statutes, section
 32.8 216C.375. This appropriation must be expended on schools located outside the electric
 32.9 service territory of the public utility that is subject to Minnesota Statutes, section 116C.779.
 32.10 This appropriation is available until June 30, 2028. The base amount for fiscal year 2024
 32.11 is \$5,700,000. The base amount for fiscal year 2025 is \$0.

188.13 program and under utility low-income
 188.14 conservation programs.
 188.15 (c) \$2,195,000 in fiscal year 2023 is for
 188.16 residential electric panel upgrade grants under
 188.17 Minnesota Statutes, section 216C.45, and to
 188.18 pay the reasonable costs incurred by the
 188.19 department to administer Minnesota Statutes,
 188.20 section 216C.45. This is a onetime
 188.21 appropriation and is available until June 30,
 188.22 2025.
 188.23 (d) \$500,000 in fiscal year 2023 is to award
 188.24 grants to auto dealers to seek certification from
 188.25 electric vehicle manufacturers to sell electric
 188.26 vehicles under Minnesota Statutes, section
 188.27 216C.402. This is a onetime appropriation and
 188.28 is available until June 30, 2025.
 188.29 (e) \$3,000,000 in fiscal year 2023 is for grants
 188.30 under the solar for schools program
 188.31 established in Minnesota Statutes, section
 188.32 216C.375. This is a onetime appropriation and
 188.33 is available until June 30, 2025.
 189.1 (f) \$10,000,000 in fiscal year 2023 is for
 189.2 deposit in the state competitiveness account
 189.3 established in Minnesota Statutes, section
 189.4 216C.391, to leverage federal formula and
 189.5 competitive funds for energy-related
 189.6 infrastructure and clean energy investments
 189.7 in Minnesota. This is a onetime appropriation
 189.8 and is available until June 30, 2034.
 189.9 (g) \$5,000,000 in fiscal year 2023 is for grants
 189.10 from the energy alley start-up fund established
 189.11 in Minnesota Statutes, section 216C.46, to
 189.12 businesses developing decarbonization
 189.13 technologies. This is a onetime appropriation
 189.14 and is available until June 30, 2025.
 189.15 (h) \$500,000 in fiscal year 2023 is to install a
 189.16 network of electric vehicle charging stations
 189.17 in public parking facilities in county

189.18 government centers. This is a onetime
189.19 appropriation and is available until June 30,
189.20 2025.

189.21 (i) \$531,000 in fiscal year 2023 is to develop
189.22 an energy benchmarking program under which
189.23 building owners report the energy use of
189.24 certain types of buildings under Minnesota
189.25 Statutes, section 216C.331. This is a onetime
189.26 appropriation and is available until June 30,
189.27 2024.

189.28 (j) \$109,000 in fiscal year 2023 is for
189.29 participation in customer disputes before the
189.30 Minnesota Public Utilities Commission under
189.31 the consumer dispute process established in
189.32 Minnesota Statutes, section 216B.172.

190.1 (k) \$35,000 in fiscal year 2023 is to participate
190.2 in the participant compensation process under
190.3 Minnesota Statutes, section 216B.631.

190.4 (l) \$10,000,000 in fiscal year 2023 is for a
190.5 grant to the Minnesota Innovation Finance
190.6 Authority for organizational start-up costs and
190.7 for the purposes of Minnesota Statutes, section
190.8 216C.441. The commissioner of commerce is
190.9 the fiscal agent for the grant and shall establish
190.10 reporting requirements with respect to
190.11 activities and expenditures of the authority.
190.12 This is a onetime appropriation and is
190.13 available until June 30, 2025.

190.14 (m) \$141,000 in fiscal year 2023 is for
190.15 participation in proceedings of the Minnesota
190.16 Public Utilities Commission regarding energy
190.17 storage systems under Minnesota Statutes,
190.18 sections 216B.1616 and 216C.378.

190.19 (n) \$70,000 in fiscal year 2023 is for
190.20 participation in Minnesota Public Utilities
190.21 Commission proceedings regarding utility
190.22 transportation electrification plans under
190.23 Minnesota Statutes, section 216B.1615.

190.24 (o) \$225,000 in fiscal year 2023 is for
 190.25 participation in proceedings of the Minnesota
 190.26 Public Utilities Commission regarding the
 190.27 issuance of extraordinary event natural gas
 190.28 utility bonds under Minnesota Statutes,
 190.29 sections 216B.491 to 216B.499.

190.30 (p) \$35,000 in fiscal year 2023 is for
 190.31 participation in proceedings of the Minnesota
 190.32 Public Utilities Commission regarding utility
 190.33 programs to deploy electric school buses under
 190.34 Minnesota Statutes, section 216B.1617.

29.21 Sec. 26. Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 1, is
 29.22 amended to read:

29.23		<u>4,825,000</u>		<u>1,800,000</u>
29.24	Subdivision 1. Total Appropriation	\$ <u>4,325,000</u>	\$	<u>1,300,000</u>

29.25 The amounts that may be spent for each
 29.26 purpose are specified in the following
 29.27 subdivisions.

191.1	Sec. 3. <u>PUBLIC UTILITIES COMMISSION</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>637,000</u>
191.2	<u>(a) \$234,000 in fiscal year 2023 is to</u>				
191.3	<u>administer the customer dispute process</u>				
191.4	<u>established in Minnesota Statutes, section</u>				
191.5	<u>216B.172. The base for this appropriation in</u>				
191.6	<u>fiscal year 2024 and thereafter is \$228,000.</u>				
191.7	<u>(b) \$32,000 in fiscal year 2023 is to administer</u>				
191.8	<u>the participant compensation process under</u>				
191.9	<u>Minnesota Statutes, section 216B.631.</u>				
191.10	<u>(c) \$135,000 in fiscal year 2023 is for</u>				
191.11	<u>commission proceedings regarding energy</u>				
191.12	<u>storage systems under Minnesota Statutes,</u>				
191.13	<u>sections 216B.1616 and 216C.378.</u>				
191.14	<u>(d) \$32,000 is for the commission's review of</u>				
191.15	<u>utility transportation electrification plans under</u>				
191.16	<u>Minnesota Statutes, section 216B.1615.</u>				

191.17 (e) \$32,000 is for the commission's review of
 191.18 utility electric school bus deployment
 191.19 programs under Minnesota Statutes, section
 191.20 216B.1617.

191.21 (f) \$172,000 is for the commission's
 191.22 contracting with consultants with expertise in
 191.23 securitized utilities customer-backed bond
 191.24 financing under Minnesota Statutes, section
 191.25 216B.494.

191.26	Sec. 4. DEPARTMENT OF EMPLOYMENT			
191.27	AND ECONOMIC DEVELOPMENT	\$	-0-	\$ 2,500,000

191.28 (a) \$500,000 in fiscal year 2023 is to the
 191.29 commissioner of employment and economic
 191.30 development for a grant to Unidos MN
 191.31 Education Fund and the New Justice Project
 191.32 MN to address employment and economic
 191.33 disparities for people of color, immigrant
 191.34 communities, and low-income unemployed or
 192.1 underemployed individuals. The money must
 192.2 be used to support preapprenticeship and
 192.3 workforce training, career development,
 192.4 worker rights training, employment placement
 192.5 and entrepreneurship support, related support
 192.6 services, and the development of transferable
 192.7 skills in high-demand fields related to
 192.8 construction, clean energy, and energy
 192.9 efficiency. Of this amount, 50 percent is for a
 192.10 grant to Unidos MN Education Fund and 50
 192.11 percent is for a grant to the New Justice
 192.12 Project MN. This is a onetime appropriation
 192.13 and is available until June 30, 2025.

192.14 (b) \$2,000,000 in fiscal year 2023 is to the
 192.15 commissioner of employment and economic
 192.16 development for the community energy
 192.17 transition grant program under Minnesota
 192.18 Statutes, section 116J.55. This is a onetime
 192.19 appropriation and is available until June 30,
 192.20 2025.

192.21	Sec. 5. <u>POLLUTION CONTROL AGENCY</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>3,300,000</u>
192.22	(a) \$300,000 in fiscal year 2023 is to the				
192.23	commissioner of the Pollution Control Agency				
192.24	for a report describing potential strategies to				
192.25	reduce statewide greenhouse gas emissions in				
192.26	order to comply with the state's greenhouse				
192.27	gas emissions reduction goals established in				
192.28	Minnesota Statutes, section 216H.02,				
192.29	subdivision 1, and the 2030 emissions				
192.30	reduction goal established by the United States				
192.31	under the United Nations Framework				
192.32	Convention on Climate Change, also known				
192.33	as the Paris Agreement. This is a onetime				
192.34	appropriation and is available until June 30,				
192.35	2024.				
193.1	(b) \$3,000,000 in fiscal year 2023 is to the				
193.2	commissioner of the Pollution Control Agency				
193.3	to award grants to political subdivisions to				
193.4	encourage the formation of organizations and				
193.5	plans to reduce contributions to and mitigate				
193.6	the impacts of climate change. This is a				
193.7	onetime appropriation and is available until				
193.8	June 30, 2024.				
193.9	Sec. 6. <u>DEPARTMENT OF NATURAL</u>				
193.10	<u>RESOURCES</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>4,100,000</u>
193.11	\$4,100,000 in fiscal year 2023 is to the				
193.12	commissioner of natural resources for funding				
193.13	the installation of electric vehicle charging				
193.14	stations in public parking facilities located in				
193.15	state and regional parks. This is a onetime				
193.16	appropriation and is available until June 30,				
193.17	2025.				
193.18	Sec. 7. <u>DEPARTMENT OF</u>				
193.19	<u>TRANSPORTATION</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>2,181,000</u>
193.20	(a) Notwithstanding any other law to the				
193.21	contrary, including any law prohibiting the				
193.22	servicing of vehicles or the conduct of private				
193.23	business on the right-of-way of a trunk				

193.24 highway, \$2,100,000 in fiscal year 2023 is to
 193.25 the commissioner of transportation for funding
 193.26 the installation of electric vehicle charging
 193.27 stations at highway safety rest areas. The
 193.28 charging stations may be free or fee-based.
 193.29 This is a onetime appropriation and is
 193.30 available until June 30, 2025.

193.31 (b) \$81,000 in fiscal year 2023 is to the
 193.32 commissioner of transportation for
 193.33 administrative work on the Buy Clean Task
 193.34 Force to advise the commissioner of
 193.35 administration on developing environmental
 194.1 standards for state purchases of asphalt paving
 194.2 materials. This is a onetime appropriation and
 194.3 is available until June 30, 2024.

194.4 **Sec. 8. DEPARTMENT OF LABOR AND**
 194.5 **INDUSTRY** **\$ -0- \$ 279,000**

194.6 (a) \$133,000 in fiscal year 2023 is to the
 194.7 commissioner of labor and industry for
 194.8 modifying the State Building Code to address
 194.9 needs for electric vehicle charging in parking
 194.10 facilities in new commercial and multifamily
 194.11 buildings that provide on-site parking, as
 194.12 described in Minnesota Statutes, section
 194.13 326B.103. This is a onetime appropriation and
 194.14 is available until June 30, 2024.

194.15 (b) \$146,000 in fiscal year 2023 is to the
 194.16 commissioner of labor and industry to
 194.17 implement new commercial energy codes, as
 194.18 described in Minnesota Statutes, section
 194.19 326B.106, subdivision 1. This is a onetime
 194.20 appropriation and is available until June 30,
 194.21 2025.

194.22 **Sec. 9. DEPARTMENT OF**
 194.23 **ADMINISTRATION** **\$ -0- \$ 914,000**

194.24 (a) \$314,000 in fiscal year 2023 is to the
 194.25 commissioner of administration to staff a task
 194.26 force to advise the commissioner on

- 194.27 developing environmental standards for the
194.28 state's procurement of certain building
194.29 materials. This is a onetime appropriation and
194.30 is available until June 30, 2024.
- 194.31 (b) \$600,000 in fiscal year 2023 is for the
194.32 commissioner of administration to contract
194.33 with the Board of Regents of the University
194.34 of Minnesota for a grant to the Institute on the
194.35 Environment to conduct research examining
195.1 how projections of future weather trends may
195.2 exacerbate conditions such as drought,
195.3 elevated temperatures, and flooding that:
- 195.4 (1) can be integrated into the design and
195.5 evaluation of buildings constructed by the state
195.6 of Minnesota and local units of government
195.7 so as to:
- 195.8 (i) reduce energy costs by deploying
195.9 cost-effective energy efficiency measures,
195.10 innovative construction materials and
195.11 techniques, and renewable energy sources;
195.12 and
- 195.13 (ii) prevent and minimize damage to buildings
195.14 caused by extreme weather conditions,
195.15 including but not limited to increased
195.16 frequency of intense precipitation events and
195.17 tornadoes, flooding, and elevated
195.18 temperatures; and
- 195.19 (2) may weaken the ability of natural systems
195.20 to mitigate those conditions to the point where
195.21 human intervention in the form of building or
195.22 redesigning the scale and operation of
195.23 infrastructure is required to address those
195.24 conditions in order to:
- 195.25 (i) maintain and increase the amount and
195.26 quality of food and wood production;
- 195.27 (ii) reduce fire risk on forested land;
- 195.28 (iii) maintain and enhance water quality; and

195.29 (iv) maintain and enhance natural habitats.
 195.30 The contract must provide that, no later than
 195.31 February 1, 2025, the director of the Institute
 195.32 on the Environment, or the director's designee,
 195.33 submit a written report to the chairs and
 196.1 ranking minority members of the legislative
 196.2 committees with primary jurisdiction over
 196.3 environment policy and capital investment
 196.4 summarizing the findings and
 196.5 recommendations of the research, including
 196.6 any recommendations for policy changes or
 196.7 other legislation. This is a onetime
 196.8 appropriation and is available until June 30,
 196.9 2024.

196.10 Sec. 10. UNIVERSITY OF MINNESOTA \$ -0- \$ 1,000,000

196.11 \$1,000,000 in fiscal year 2023 is to the Board
 196.12 of Regents of the University of Minnesota for
 196.13 a program in the University of Minnesota
 196.14 Extension Service that will enhance the
 196.15 capacity of the state's agricultural sector, land
 196.16 and resource managers, and communities to
 196.17 plan for and adapt to weather extremes like
 196.18 droughts and floods. This appropriation shall
 196.19 be used to support existing extension service
 196.20 staff members and to hire additional staff
 196.21 members for a program with broad geographic
 196.22 reach throughout the state. The program shall:

196.23 (1) identify, develop, implement, and evaluate
 196.24 educational programs that increase the
 196.25 capacity of Minnesota's agricultural sector,
 196.26 land and resource managers, and communities
 196.27 to adapt and be prepared for projected physical
 196.28 changes in temperature, precipitation, and
 196.29 other weather parameters that affect crops,
 196.30 lands, horticulture, pests, and wildlife in ways
 196.31 that present challenges to the state's
 196.32 agricultural sector and the communities that
 196.33 depend on it; and

196.34 (2) communicate and interpret the latest
 196.35 research on critical weather trends and the

197.1 science behind them to further prepare
 197.2 extension service staff throughout the state to
 197.3 educate the agricultural sector, land and
 197.4 resource managers, and community members
 197.5 at the local level regarding technical
 197.6 information on water resource management,
 197.7 agriculture and forestry, engineering and
 197.8 infrastructure design, and emergency
 197.9 management that is necessary for the
 197.10 development of strategies to mitigate the
 197.11 effects of extreme weather change. This is a
 197.12 onetime appropriation and is available until
 197.13 June 30, 2025.

ARTICLE 18

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

197.17 (a) The sums shown in the columns marked "Appropriations" are appropriated to the
 197.18 agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes,
 197.19 section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable
 197.20 development account in the special revenue fund established in Minnesota Statutes, section
 197.21 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose.
 197.22 The figures "2022" and "2023" used in this article mean that the appropriations listed under
 197.23 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

197.24 (b) If an appropriation in this article is enacted more than once in the 2022 regular or
 197.25 special legislative session, the appropriation must be given effect only once.

197.26			<u>APPROPRIATIONS</u>
197.27			<u>Available for the Year</u>
197.28			<u>Ending June 30</u>
197.29			<u>2022</u> <u>2023</u>
197.30	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>42,221,000</u>

32.12 Subd. 3. Granite Falls hydroelectric generating facility. Notwithstanding Minnesota
 32.13 Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,290,000 is appropriated in fiscal
 32.14 year 2023 from the renewable development account established under Minnesota Statutes,
 32.15 section 116C.779, subdivision 1, to the commissioner of commerce for a grant to the city
 32.16 of Granite Falls for repair and overage costs related to the city's existing hydroelectric

32.17 generating facility. This is a onetime appropriation. Any amount of the appropriation under
 32.18 this paragraph that remains unexpended on June 30, 2024, must be returned to the renewable
 32.19 development account.

32.20 Subd. 4. **Community energy transition grants.** \$3,500,000 in fiscal year 2023 is
 32.21 appropriated from the renewable development account to the commissioner of employment
 32.22 and economic development. This appropriation is available only for grants to eligible
 32.23 communities located within the service territory of the public utility subject to Minnesota
 32.24 Statutes, section 116C.779. This is a onetime appropriation and is available until June 30,
 32.25 2029.

32.26 Subd. 5. **National Sports Center solar array.** Notwithstanding Minnesota Statutes,
 32.27 section 116C.779, subdivision 1, paragraph (j), \$3,500,000 in fiscal year 2023 is appropriated
 32.28 from the renewable development account to the Minnesota Amateur Sports Commission to
 32.29 install solar arrays. This appropriation may be used to install solar arrays on an ice rink and
 32.30 a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

197.31 (a) \$5,000,000 in fiscal year 2023 is to operate
 197.32 the grants for renewable integration and
 197.33 demonstration program under Minnesota
 197.34 Statutes, section 216C.47, to award grants to
 198.1 businesses to develop decarbonization
 198.2 technologies for commercialization.

198.3 (b) \$4,000,000 in fiscal year 2023 is to
 198.4 implement a program that awards grants to
 198.5 upgrade electrical panels in single-family and
 198.6 multifamily residences under Minnesota
 198.7 Statutes, section 216C.45. This is a onetime
 198.8 appropriation and is available until June 30,
 198.9 2025.

198.10 (c) \$3,000,000 in fiscal year 2023 is for
 198.11 deposit in a contingency fund for disbursement
 198.12 to the owner of a solar energy generating
 198.13 system installed on land on the former Ford
 198.14 Motor Company in St. Paul known as Area C.
 198.15 Disbursement under this paragraph must occur
 198.16 only if the Pollution Control Agency requires
 198.17 actions to be taken to remediate contaminated
 198.18 land at the site that requires the solar energy
 198.19 generating system to be removed while
 198.20 remediation takes place, as provided in

- 198.21 Minnesota Statutes, section 116C.7793. This
 198.22 is a onetime appropriation.
- 198.23 (d) \$6,500,000 in fiscal year 2023 is for a
 198.24 grant to the Independent School District No.
 198.25 11, Anoka-Hennepin, to construct a
 198.26 geothermal energy system at the Sorteberg
 198.27 Early Childhood Center that uses the constant
 198.28 temperature of the earth, in conjunction with
 198.29 a heat pump, new HVAC system, and new
 198.30 boilers, to provide space heating and cooling
 198.31 to the building. This is a onetime appropriation
 198.32 and is available until December 31, 2025.
- 198.33 (e) The base for fiscal year 2024 is \$531,000
 198.34 to implement an energy benchmarking
 198.35 program under which building owners report
 199.1 certain types of buildings' annual energy use
 199.2 under Minnesota Statutes, section 216C.331.
 199.3 The base in fiscal year 2025 and thereafter is
 199.4 \$431,000.
- 199.5 (f) \$500,000 in fiscal year 2023 is to install a
 199.6 network of electric vehicle charging stations
 199.7 in public parking facilities located in county
 199.8 government centers. This is a onetime
 199.9 appropriation and is available until June 30,
 199.10 2025. This appropriation may be expended
 199.11 only in county government centers located
 199.12 within the electric service area of the public
 199.13 utility subject to Minnesota Statutes, section
 199.14 116C.779.
- 199.26 (h) \$4,000,000 in fiscal year 2023 is for a
 199.27 financial incentive for the installation of
 199.28 energy storage systems under Minnesota
 199.29 Statutes, section 216C.378.
- 199.30 (i) \$4,000,000 in fiscal year 2023 is for the
 199.31 solar on public buildings grant program
 199.32 described under Minnesota Statutes, section
 199.33 216C.377. The appropriation must be used to
 199.34 provide grants to public buildings located
 199.35 within the electric service area of the electric
 200.1 utility subject to Minnesota Statutes, section

200.2 116C.779. The base in fiscal year 2024 and
 200.3 thereafter is \$2,000,000.

200.4 (j) \$10,000,000 in fiscal year 2023 is for
 200.5 deposit in the state competitiveness account
 200.6 established in Minnesota Statutes, section
 200.7 216C.391, to leverage federal formula and
 200.8 competitive funds for energy-related
 200.9 infrastructure and clean energy investments
 200.10 in Minnesota. This appropriation must be used
 200.11 to obtain federal funds that benefit Minnesota
 200.12 ratepayers receiving electric service from the
 200.13 utility that owns a nuclear-powered electric
 200.14 generating plant in Minnesota, the Prairie
 200.15 Island Indian community, or Prairie Island
 200.16 Indian community members. This is a onetime
 200.17 appropriation and is available until June 30,
 200.18 2034.

200.19 (k) \$221,000 in fiscal year 2023 is for
 200.20 participation in proceedings of the Minnesota
 200.21 Public Utilities Commission regarding energy
 200.22 storage systems under Minnesota Statutes,
 200.23 sections 216B.1616 and 216C.378.

29.8 Sec. 25. Laws 2020, chapter 118, section 5, subdivision 1, is amended to read:

29.9 Subdivision 1. **Community energy transition grants.** (a) Notwithstanding Minnesota
 29.10 Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,000,000 in fiscal year 2021 is
 29.11 appropriated from the renewable development account established in Minnesota Statutes,
 29.12 section 116C.779, subdivision 1, to the commissioner of employment and economic
 29.13 development for deposit in the community energy transition account established in Minnesota
 29.14 Statutes, section 116J.55, subdivision 3. This is a onetime appropriation and is available
 29.15 until June 30, ~~2022~~ 2025.

29.16 (b) If another bill is enacted during the 2020 regular legislative session that appropriates
 29.17 money from the renewable development account established in Minnesota Statutes, section
 29.18 116C.779, subdivision 1, for the same general purpose as provided under Minnesota Statutes,
 29.19 section 116J.55, the appropriation under this subdivision cancels to the renewable
 29.20 development account under Minnesota Statutes, section 116C.779, subdivision 1.

200.24 Sec. 3. <u>METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>3,000,000</u>
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200.25 \$3,000,000 in fiscal year 2023 is for the
 200.26 Metropolitan Council to purchase buses that
 200.27 operate solely on electric propulsion provided
 200.28 by electric motors and rechargeable on-board
 200.29 batteries. This is a onetime appropriation and
 200.30 is available until June 30, 2025.

201.1

ARTICLE 19

201.2

ENERGY CONSERVATION

201.3 Section 1. Minnesota Statutes 2020, section 216C.264, is amended by adding a subdivision
 201.4 to read:

201.5 Subd. 1a. **State supplementary weatherization grants account.** (a) A state
 201.6 supplementary weatherization grants account is established as a separate account in the
 201.7 special revenue fund in the state treasury. The commissioner must credit appropriations and
 201.8 transfers to the account. Earnings, such as interest, dividends, and any other earnings arising
 201.9 from assets of the account, must be credited to the account. Money remaining in the account
 201.10 at the end of a fiscal year does not cancel to the general fund, but remains in the account
 201.11 until expended. The commissioner must manage the account.

201.12 (b) Money in the account is appropriated to the commissioner for the purposes of
 201.13 subdivision 5.

201.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

201.15 Sec. 2. Minnesota Statutes 2020, section 216C.264, subdivision 5, is amended to read:

201.16 Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state
 201.17 grants in a manner consistent with the goal of producing the maximum number of weatherized
 201.18 units. Supplementary state grants ~~are provided primarily for the payment of~~ may be used
 201.19 for the following purposes:

201.20 (1) to address physical deficiencies in a residence that increase heat loss, including
 201.21 deficiencies that prohibit the residence from being eligible to receive federal weatherization
 201.22 assistance;

201.23 (2) to install preweatherization measures, as defined in section 216B.2402, subdivision
 201.24 20, established by the commissioner under section 216B.241, subdivision 7, paragraph (g);

201.25 (3) to increase the number of weatherized residences;

201.26 (4) to conduct outreach activities to make income-eligible households aware of the
 201.27 weatherization services available to income-eligible households, to assist applicants to fill
 201.28 out applications for weatherization assistance, and to provide translation services where
 201.29 necessary;

- 201.30 (5) to enable projects in multifamily buildings to proceed even if projects cannot comply
 201.31 with the federal requirement that projects must be completed within the same federal fiscal
 201.32 year in which the project begins;
- 202.1 (6) to address shortages of workers trained to provide weatherization services, including
 202.2 expanding training opportunities in existing and new training programs;
- 202.3 (7) to support the operation of the weatherization training program under section
 202.4 216C.2641;
- 202.5 (8) to pay additional labor costs for the federal weatherization program; and
 202.6 (9) as an incentive for the increased production of weatherized units.
- 202.7 (b) Criteria for the allocation of state grants to local agencies include existing local
 202.8 agency production levels, emergency needs, and the potential for maintaining or increasing
 202.9 acceptable levels of production in the area.
- 202.10 (c) An eligible local agency may receive advance funding for 90 days' production, but
 202.11 thereafter must receive grants solely on the basis of program criteria.
- 202.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 202.13 **Sec. 3. [216C.2641] WEATHERIZATION TRAINING GRANT PROGRAM.**
- 202.14 **Subdivision 1. Establishment.** The commissioner of commerce must establish a
 202.15 weatherization training grant program to award grants to train workers for careers in the
 202.16 weatherization industry.
- 202.17 **Subd. 2. Grants.** (a) The commissioner must award grants through a competitive grant
 202.18 process.
- 202.19 (b) An eligible entity under paragraph (c) seeking a grant under this section must submit
 202.20 a written application to the commissioner, using a form developed by the commissioner.
- 202.21 (c) Grants may be awarded under this section only to:
- 202.22 (1) a nonprofit organization exempt from taxation under section 501(c)(3) of the United
 202.23 States Internal Revenue Code;
- 202.24 (2) a labor organization, as defined in section 179.01, subdivision 6; or
- 202.25 (3) a job training center or educational institution that the commissioner of commerce
 202.26 determines has the ability to train workers for weatherization careers.
- 202.27 (d) Grant funds must be used to pay costs associated with training workers for careers
 202.28 in the weatherization industry, including related supplies, materials, instruction, and
 202.29 infrastructure.
- 203.1 (e) When awarding grants under this section, the commissioner must give priority to
 203.2 applications that provide the highest quality training to prepare trainees for weatherization

- 203.3 employment opportunities that meet technical standards and certifications developed by the
 203.4 Building Performance Institute, Inc. or the Standard Work Specifications developed by the
 203.5 United States Department of Energy for the federal Weatherization Assistance Program.
- 203.6 Subd. 3. **Reports.** By January 15, 2024, and each January 15 thereafter, the commissioner
 203.7 must submit a report to the chairs and ranking minority members of the senate and house
 203.8 of representatives committees with jurisdiction over energy policy that details the use of
 203.9 grant funds under this section, including data on the number of trainees trained and the
 203.10 career progress of trainees supported by prior grants.
- 203.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 203.12 Sec. 4. **[216C.331] ENERGY BENCHMARKING.**
- 203.13 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
 203.14 the meanings given.
- 203.15 (b) "Benchmark" means to electronically input into a benchmarking tool the total energy
 203.16 use data and other descriptive information about a building that is required by a benchmarking
 203.17 tool.
- 203.18 (c) "Benchmarking information" means data related to a building's energy use generated
 203.19 by a benchmarking tool and other information about the building's physical and operational
 203.20 characteristics. Benchmarking information includes but is not limited to the building's:
- 203.21 (1) address;
- 203.22 (2) owner and, if applicable, the building manager responsible for operating the building's
 203.23 physical systems;
- 203.24 (3) total floor area, expressed in square feet;
- 203.25 (4) energy use intensity;
- 203.26 (5) greenhouse gas emissions; and
- 203.27 (6) energy performance score comparing the building's energy use with that of similar
 203.28 buildings.
- 203.29 (d) "Benchmarking tool" means the United States Environmental Protection Agency's
 203.30 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.
- 204.1 (e) "Covered property" means a building whose total floor area is equal to or greater
 204.2 than 50,000 square feet. Covered property does not include:
- 204.3 (1) a residential property containing fewer than five dwelling units;
- 204.4 (2) a property classified as mining or manufacturing under the North American Industrial
 204.5 Classification System (NAICS); or

- 204.6 (3) other property types that do not meet the purposes of this section, as determined by
 204.7 the commissioner.
- 204.8 (f) "Energy" means electricity, natural gas, steam, or another product used to (1) provide
 204.9 heating, cooling, lighting, or water heating, or (2) power other end uses in a building.
- 204.10 (g) "Energy audit" has the meaning given in section 216C.435, subdivision 4.
- 204.11 (h) "Energy intensity" means the total annual energy consumed in a building divided by
 204.12 the building's total floor area.
- 204.13 (i) "Energy performance score" means a numerical value from one to 100 that the Energy
 204.14 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of
 204.15 comparable buildings nationwide.
- 204.16 (j) "Energy Star Portfolio Manager" means an interactive resource management tool
 204.17 developed by the United States Environmental Protection Agency that (1) enables the
 204.18 periodic entry of a building's energy use data and other descriptive information about a
 204.19 building, and (2) rates a building's energy efficiency against that of comparable buildings
 204.20 nationwide.
- 204.21 (k) "Financial distress" means a covered property that, at the time benchmarking is
 204.22 conducted:
- 204.23 (1) is the subject of a qualified tax lien sale or public auction due to property tax
 204.24 arrearages;
- 204.25 (2) is controlled by a court-appointed receiver based on financial distress;
- 204.26 (3) is owned by a financial institution through default by the borrower;
- 204.27 (4) has been acquired by deed in lieu of foreclosure; or
- 204.28 (5) has a senior mortgage that is subject to a notice of default.
- 204.29 (l) "Owner" means (1) an individual or entity that possesses title to a covered property,
 204.30 or (2) an agent authorized to act on behalf of the covered property owner.
- 205.1 (m) "Total floor area" means the sum of gross square footage inside a building's envelope,
 205.2 measured between the outside exterior walls of the building. Total floor area includes covered
 205.3 parking structures.
- 205.4 **Subd. 2. Establishment.** A building energy benchmarking program is established in the
 205.5 department. The purpose of the program is to:
- 205.6 (1) make a building's owners, tenants, and potential tenants aware of (i) the building's
 205.7 energy consumption levels and patterns, and (ii) how the building's energy use compares
 205.8 with that of similar buildings nationwide; and

205.9 (2) enhance the likelihood that owners adopt energy conservation measures in the owners'
205.10 buildings as a way to reduce energy use, operating costs, and greenhouse gas emissions.

205.11 Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered
205.12 property is classified as follows:

205.13	Class	Total Floor Area (sq. ft.)
205.14	<u>1</u>	150,000 or more
205.15	<u>2</u>	100,000 to 149,999
205.16	<u>3</u>	75,000 to 99,999
205.17	<u>4</u>	50,000 to 74,999

205.18 Subd. 4. **Benchmarking requirement.** (a) In conformity with the schedule in subdivision
205.19 6, an owner must annually benchmark all covered property owned as of December 31 during
205.20 the previous calendar year. Energy use data must be compiled by:

- 205.21 (1) obtaining the data from the utility providing the energy; or
- 205.22 (2) reading a master meter.

205.23 (b) Before entering information in a benchmarking tool, an owner must run all automated
205.24 data quality assurance functions available within the benchmarking tool and must correct
205.25 all missing or incorrect data identified.

205.26 (c) An owner who becomes aware that any information entered into a benchmarking
205.27 tool is inaccurate or incomplete must amend the information in the benchmarking tool within
205.28 30 days of the date the owner learned of the inaccuracy.

205.29 Subd. 5. **Exemption.** (a) The commissioner may exempt an owner from the requirements
205.30 of subdivision 4 for a covered property if the owner provides evidence satisfying the
205.31 commissioner that the covered property:

- 205.32 (1) is presently experiencing financial distress;
- 206.1 (2) has been less than 50 percent occupied during the previous calendar year;
- 206.2 (3) does not have a certificate of occupancy or temporary certificate of occupancy for
206.3 the full previous calendar year;
- 206.4 (4) was issued a demolition permit during the previous calendar year that remains current;
- 206.5 (5) received no energy services for at least 30 days during the previous calendar year;
- 206.6 or

- 206.7 (6) is participating in a benchmarking program operated by a city or other political
206.8 subdivision that the commissioner determines is equivalent to the benchmarking program
206.9 established in this section.
- 206.10 (b) An exemption granted under this subdivision applies only to a single calendar year.
206.11 An owner must reapply to the commissioner each year an extension is sought.
- 206.12 (c) Within 30 days of the date an owner makes a request under this paragraph, each
206.13 tenant of a covered property subject to this section must provide the owner with any
206.14 information regarding energy use of the tenant's rental unit that the property owner cannot
206.15 otherwise obtain and that is needed by the owner to comply with this section. The tenant
206.16 must provide the information required under this paragraph in a format approved by the
206.17 commissioner.
- 206.18 Subd. 6. **Benchmarking schedule.** An owner must annually benchmark each covered
206.19 property for the previous calendar year according to the following schedule:
- 206.20 (1) all Class 1 properties by June 1, 2023, and by every June 1 thereafter;
206.21 (2) all Class 2 properties by June 1, 2024, and by every June 1 thereafter;
206.22 (3) all Class 3 properties by June 1, 2025, and by every June 1 thereafter; and
206.23 (4) all Class 4 properties by June 1, 2026, and by every June 1 thereafter.
- 206.24 Subd. 7. **Energy audit.** (a) The commissioner must notify in writing an owner of a
206.25 building whose energy performance score is 25 or lower or whose calculated energy intensity
206.26 is among the highest 25 percent compared to similar building types within the building's
206.27 class, as determined by the commissioner, that, except as provided in paragraph (c), the
206.28 owner is required to contract for an energy audit of the building no later than one year after
206.29 the notice is issued, unless the commissioner extends the deadline.
- 206.30 (b) The commissioner must award a grant to an owner who completes an energy audit
206.31 after receiving notice under this subdivision. The grant amount must be the lower of \$2,000
207.1 or 50 percent of the cost of the audit. An owner must not receive more than one grant under
207.2 this subdivision.
- 207.3 (c) If a building owner that receives notice under this subdivision submits evidence to
207.4 the commissioner's satisfaction that an energy audit of the building that is the subject of the
207.5 notice was conducted within the previous five years, the owner is exempt from the
207.6 requirement to conduct an energy audit.
- 207.7 Subd. 8. **Data collection and management.** (a) The commissioner must:
- 207.8 (1) collect benchmarking information generated by a benchmarking tool and other related
207.9 information for each covered property;
- 207.10 (2) provide technical assistance to owners entering data into a benchmarking tool; and

- 207.11 (3) collaborate with utilities regarding the provision of energy use information to owners
207.12 and tenants to enable owners to comply with this section.
- 207.13 (b) A utility must comply with a request from the commissioner to provide to the
207.14 commissioner or to an owner energy use information that is needed to effectively operate
207.15 the energy benchmarking program.
- 207.16 (c) The commissioner must:
- 207.17 (1) rank benchmarked covered properties in each property class from highest to lowest
207.18 performance score, or, if a performance score is unavailable for a covered property, from
207.19 lowest to highest energy use intensity;
- 207.20 (2) divide covered properties in each property class into four quartiles based on the
207.21 applicable measure in clause (1);
- 207.22 (3) assign four stars to each covered property in the quartile of each property class with
207.23 the highest performance scores or lowest energy use intensities, as applicable;
- 207.24 (4) assign three stars to each covered property in the quartile of each property class with
207.25 the second highest performance scores or second lowest energy use intensities, as applicable;
- 207.26 (5) assign two stars to each covered property in the quartile of each property class with
207.27 the third highest performance scores or third lowest energy use intensities, as applicable;
- 207.28 (6) assign one star to each covered property in the quartile of each property class with
207.29 the lowest performance scores or highest energy use intensities, as applicable; and
- 207.30 (7) serve notice in writing to each owner identifying the number of stars assigned the
207.31 commissioner to each of the owner's covered properties.
- 208.1 Subd. 9. **Data disclosure to public.** (a) The commissioner must post on the department's
208.2 website and update annually the following information for the previous calendar year:
- 208.3 (1) annual summary statistics on energy use for all covered properties in Minnesota;
- 208.4 (2) annual summary statistics on energy use for all covered properties, aggregated by
208.5 (i) covered property class, as defined in subdivision 3, (ii) city, and (iii) county;
- 208.6 (3) the percentage of covered properties in each building class listed in subdivision 3
208.7 that are in compliance with the benchmarking requirements under subdivisions 4 to 6; and
- 208.8 (4) for each covered property, at a minimum, the total energy use, energy use per square
208.9 foot of total floor area, annual greenhouse gas emissions, and an energy performance score,
208.10 if available.
- 208.11 (b) The commissioner must post the information required under this subdivision for each
208.12 class of covered property beginning one year after the date the initial benchmarking
208.13 submission is made by the owner under the schedule in subdivision 6.

208.14 Subd. 10. **Building performance disclosure to potential tenants.** An owner must, on
208.15 any application provided to a potential tenant seeking to rent a unit in a covered property,
208.16 include the following language in a 12-point or larger font on the first page of the application:
208.17 "This building has received a [insert number of stars assigned to the building by the
208.18 commissioner under subdivision 8, paragraph (c)] star rating of the building's energy
208.19 efficiency from the Minnesota Department of Commerce, where four stars represents the
208.20 most energy efficient buildings and one star represents the least energy efficient buildings."

208.21 Subd. 11. **Notifications.** (a) By March 1 each year, the commissioner must notify the
208.22 owner of each covered property required to benchmark for the previous calendar year of
208.23 the requirement to benchmark by June 1 of that year.

208.24 (b) By July 15 each year, the commissioner must notify the owner of each covered
208.25 property required to benchmark for the previous calendar year that failed to benchmark that
208.26 the owner has 30 days to comply with the benchmarking requirement.

208.27 Subd. 12. **Program implementation.** The commissioner may contract with an
208.28 independent third party to implement any or all of the duties the commissioner is required
208.29 to perform under subdivisions 2 to 10.

208.30 Subd. 13. **Enforcement.** If the commissioner determines that an owner has failed to
208.31 benchmark in a timely, complete, and accurate fashion as required under this section, the
208.32 commissioner may impose on the owner a civil fine of up to \$1,000. Each day that the owner
208.33 fails to benchmark to the satisfaction of the commissioner for each covered property owned
209.1 by the owner may be deemed a separate offense and the commissioner may impose a separate
209.2 civil penalty.

209.3 Subd. 14. **Rules.** The commissioner is authorized to adopt rules under chapter 14 to
209.4 implement this section.

209.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

209.6 Sec. 5. Minnesota Statutes 2020, section 326B.106, subdivision 1, is amended to read:

209.7 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections
209.8 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the
209.9 Construction Codes Advisory Council establish a code of standards for the construction,
209.10 reconstruction, alteration, and repair of buildings, governing matters of structural materials,
209.11 design and construction, fire protection, health, sanitation, and safety, including design and
209.12 construction standards regarding heat loss control, illumination, and climate control. The
209.13 code must also include duties and responsibilities for code administration, including
209.14 procedures for administrative action, penalties, and suspension and revocation of certification.
209.15 The code must conform insofar as practicable to model building codes generally accepted
209.16 and in use throughout the United States, including a code for building conservation. In the
209.17 preparation of the code, consideration must be given to the existing statewide specialty
209.18 codes presently in use in the state. Model codes with necessary modifications and statewide
209.19 specialty codes may be adopted by reference. The code must be based on the application

209.20 of scientific principles, approved tests, and professional judgment. To the extent possible,
 209.21 the code must be adopted in terms of desired results instead of the means of achieving those
 209.22 results, avoiding wherever possible the incorporation of specifications of particular methods
 209.23 or materials. To that end the code must encourage the use of new methods and new materials.
 209.24 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall
 209.25 administer and enforce the provisions of those sections.

209.26 (b) The commissioner shall develop rules addressing the plan review fee assessed to
 209.27 similar buildings without significant modifications including provisions for use of building
 209.28 systems as specified in the industrial/modular program specified in section 326B.194.
 209.29 Additional plan review fees associated with similar plans must be based on costs
 209.30 commensurate with the direct and indirect costs of the service.

209.31 (c) Beginning with the 2018 edition of the model building codes and every six years
 209.32 thereafter, the commissioner shall review the new model building codes and adopt the model
 209.33 codes as amended for use in Minnesota, within two years of the published edition date. The
 209.34 commissioner may adopt amendments to the building codes prior to the adoption of the
 210.1 new building codes to advance construction methods, technology, or materials, or, where
 210.2 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
 210.3 or the use of a building.

210.4 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
 210.5 residential energy code and the new model commercial energy code in accordance with
 210.6 federal law for which the United States Department of Energy has issued an affirmative
 210.7 determination in compliance with United States Code, title 42, section 6833. A municipality
 210.8 may adopt the most recently published new model commercial energy code ASHRAE 90.1
 210.9 until a more energy efficient code is adopted by the commissioner. A municipality may not
 210.10 amend or otherwise change any provisions of the most recent ASHRAE 90.1 standard,
 210.11 except that a municipality is required to adopt amendments to the previous version of
 210.12 ASHRAE 90.1 in the current commercial energy code adopted by the commissioner. The
 210.13 commissioner may adopt amendments prior to adoption of the new energy codes, as amended
 210.14 for use in Minnesota, to advance construction methods, technology, or materials, or, where
 210.15 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
 210.16 or use of a building. The commissioner of commerce may include energy code support
 210.17 measures in the technical guidance developed under section 216B.241, subdivision 1d.

210.18 ARTICLE 20

210.19 COMMISSION PROCEEDINGS

210.20 Section 1. Minnesota Statutes 2020, section 216B.17, subdivision 1, is amended to read:

210.21 Subdivision 1. **Investigation.** On ~~its~~ the commissioner's own motion or upon a complaint
 210.22 made against any public utility; by the governing body of any political subdivision, by
 210.23 another public utility, by the department, ~~or~~ or by any 50 consumers of ~~the~~ a particular utility,
 210.24 or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or

210.25 schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting
 210.26 or relating to the production, transmission, delivery, or furnishing of natural gas or electricity
 210.27 or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly
 210.28 discriminatory, or that any service is inadequate or cannot be obtained, the commission
 210.29 shall proceed, with notice, to make such investigation as it may deem necessary. The
 210.30 commission may dismiss any complaint without a hearing if in its opinion a hearing is not
 210.31 in the public interest.

210.32 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 210.33 applies to any complaint filed with the commission on or after that date.

211.1 Sec. 2. **[216B.172] CONSUMER DISPUTES.**

211.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
 211.3 the meanings given.

211.4 (b) "Appeal" means a request filed with the commission by a complainant to review and
 211.5 make a final decision regarding the resolution of the complainant's complaint by the consumer
 211.6 affairs office.

211.7 (c) "Complainant" means an individual residential customer of a public utility who has
 211.8 filed a complaint with the consumer affairs office.

211.9 (d) "Complaint" means an allegation submitted to the consumer affairs office by a
 211.10 complainant that a public utility's action or practice regarding billing or terms and conditions
 211.11 of service:

211.12 (1) violates a statute, rule, tariff, service contract, or other provision of law;

211.13 (2) is unreasonable; or

211.14 (3) has harmed or, if not addressed, will harm a complainant.

211.15 Complaint does not include an objection to or a request to modify a natural gas or electricity
 211.16 rate contained in a tariff that has been approved by the commission. A complaint under this
 211.17 section is an informal complaint under Minnesota Rules, chapter 7829.

211.18 (e) "Consumer affairs office" means the staff unit of the commission that is organized
 211.19 to receive and respond to complaints.

211.20 (f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100,
 211.21 subpart 8.

211.22 (g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

211.23 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

211.24 Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve
 211.25 a dispute with a public utility by filing a complaint with the consumer affairs office. The
 211.26 consumer affairs office must (1) notify the complainant of the resolution of the complaint,

- 211.27 (2) provide written notice of the complainant's right to appeal the resolution to the
211.28 commission, and (3) provide steps the complainant may take to appeal the resolution. Upon
211.29 request, the consumer affairs office must provide to the complainant a written notice
211.30 containing the substance of and basis for the resolution.
- 212.1 Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with
212.2 the resolution of a complaint by the consumer affairs office, the complainant may file an
212.3 appeal with the commission requesting the commission to make a final decision on the
212.4 complaint. The commission's response to an appeal filed under this subdivision must comply
212.5 with the notice requirements under section 216B.17, subdivisions 2 to 5.
- 212.6 (b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of
212.7 the commission or a subcommittee delegated under section 216A.03, subdivision 8, to
212.8 review the resolution of the complaint must decide whether the complaint should be:
- 212.9 (1) dismissed because there is no reasonable basis on which to proceed;
212.10 (2) resolved through an informal commission proceeding; or
212.11 (3) referred to the Office of Administrative Hearings for a contested case proceeding
212.12 under chapter 14.
- 212.13 A decision made under this paragraph must be provided in writing to the complainant and
212.14 the public utility.
- 212.15 (c) If the commission decides that the complaint should be resolved through an informal
212.16 commission proceeding or referred to the Office of Administrative Hearings for a contested
212.17 case proceeding, the executive secretary must issue a procedural schedule and any notices
212.18 or orders required to initiate a contested case proceeding under chapter 14.
- 212.19 (d) The commission's dismissal of an appeal request or a decision rendered after
212.20 conducting an informal proceeding is a final decision constituting an order or determination
212.21 of the commission.
- 212.22 Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek
212.23 judicial review in district court of an adverse final decision under subdivision 3, paragraph
212.24 (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred
212.25 under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.
- 212.26 Subd. 5. **Right to service during pendency of dispute.** A public utility must continue
212.27 or promptly restore service to a complainant during the pendency of an administrative or
212.28 judicial procedure pursued by a complainant under this section, provided that the
212.29 complainant:
- 212.30 (1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;
212.31 (2) posts the full disputed payment in escrow;

9.12 Sec. 8. [216B.491] DEFINITIONS.

9.13 Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms
 9.14 defined in this subdivision have the meanings given.

9.15 Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy,
 9.16 letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity
 9.17 or credit support arrangement, or other financial arrangement entered into in connection
 9.18 with extraordinary event bonds that is designed to promote the credit quality and
 9.19 marketability of extraordinary event bonds or to mitigate the risk of an increase in interest
 9.20 rates.

9.21 Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary
 9.22 event property is sold, assigned, transferred, or conveyed, other than as security, and any
 9.23 successor to or subsequent assignee of the person.

9.24 Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event
 9.25 bonds.

9.26 Subd. 5. **Customer.** "Customer" means a person who takes natural gas service from a
 9.27 natural gas utility for consumption of natural gas in Minnesota.

212.32 (3) demonstrates receipt of public assistance or eligibility for legal aid services; or

213.1 (4) demonstrates the complainant's household income is at or below 50 percent of state
 213.2 median income.

213.3 Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the
 213.4 purposes of this section.

213.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 213.6 applies to any complaint filed with the commission on or after that date.

213.7 Sec. 3. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision
 213.8 to read:

213.9 Subd. 8. **Transmission planning in advance of generation retirement.** A utility must
 213.10 identify in a resource plan each nonrenewable energy facility on the utility's system that
 213.11 has a depreciation term, probable service life, or operating license term that ends within 15
 213.12 years of the resource plan filing date. For each nonrenewable energy facility identified, the
 213.13 utility must include in the resource plan an initial plan to: (1) replace the nonrenewable
 213.14 energy facility; and (2) upgrade any transmission or other grid capabilities needed to support
 213.15 the retirement of that nonrenewable energy facility.

213.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 213.17 applies to an integrated resource plan filed with the commission on or after that date.

213.18 Sec. 4. [216B.491] DEFINITIONS.

213.19 Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms
 213.20 defined in this subdivision have the meanings given.

213.21 Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy,
 213.22 letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity
 213.23 or credit support arrangement, or other financial arrangement entered into in connection
 213.24 with extraordinary event bonds that is designed to promote the credit quality and
 213.25 marketability of extraordinary event bonds or to mitigate the risk of an increase in interest
 213.26 rates.

213.27 Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary
 213.28 event property is sold, assigned, transferred, or conveyed, other than as security, and any
 213.29 successor to or subsequent assignee of the person.

213.30 Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event
 213.31 bonds.

214.1 Subd. 5. **Customer.** "Customer" means a person who takes natural gas service from a
 214.2 natural gas utility for consumption of natural gas in Minnesota.

9.28 Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from
 9.29 unforeseen circumstances and of sufficient magnitude, as determined by the commission:

9.30 (1) to impose significant costs on customers; and

10.1 (2) for which the issuance of extraordinary event bonds in response to the event meets
 10.2 the conditions of section 216B.492, subdivision 2, as determined by the commission.

10.3 (b) Extraordinary event includes but is not limited to a storm event or other natural
 10.4 disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a
 10.5 temporary significant increase in the wholesale price of natural gas.

10.6 Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity
 10.7 undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide
 10.8 natural gas service following one or more extraordinary events, including but not limited
 10.9 to activities related to mobilization, staging, construction, reconstruction, replacement, or
 10.10 repair of natural gas transmission, distribution, storage, or general facilities.

10.11 Subd. 8. **Extraordinary event bonds.** "Extraordinary event bonds" means low-cost
 10.12 corporate securities, including but not limited to senior secured bonds, debentures, notes,
 10.13 certificates of participation, certificates of beneficial interest, certificates of ownership, or
 10.14 other evidences of indebtedness or ownership that have a scheduled maturity of no longer
 10.15 than 30 years and a final legal maturity date that is not later than 32 years from the issue
 10.16 date, that are rated AA or Aa2 or better by a major independent credit rating agency at the
 10.17 time of issuance, and that are issued by a utility or an assignee under a financing order.

10.18 Subd. 9. **Extraordinary event charge.** "Extraordinary event charge" means a
 10.19 nonbypassable charge that:

10.20 (1) is imposed on all customer bills by a utility that is the subject of a financing order
 10.21 or the utility's successors or assignees;

10.22 (2) is separate from the utility's base rates; and

10.23 (3) provides a source of revenue solely to repay, finance, or refinance extraordinary
 10.24 event costs.

10.25 Subd. 10. **Extraordinary event costs.** "Extraordinary event costs":

10.26 (1) means all incremental costs of extraordinary event activities that are approved by
 10.27 the commission in a financing order issued under section 216B.492 as being:

10.28 (i) necessary to enable the utility to restore or maintain natural gas service to customers
 10.29 after the utility experiences an extraordinary event; and

10.30 (ii) prudent and reasonable;

214.3 Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from
 214.4 unforeseen circumstances and of sufficient magnitude, as determined by the commission:

214.5 (1) to impose significant costs on customers; and

214.6 (2) for which the issuance of extraordinary event bonds in response to the event meets
 214.7 the conditions of section 216B.492, subdivision 2, as determined by the commission.

214.8 (b) Extraordinary event includes but is not limited to a storm event or other natural
 214.9 disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a
 214.10 temporary significant increase in the wholesale price of natural gas.

214.11 Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity
 214.12 undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide
 214.13 natural gas service following one or more extraordinary events, including but not limited
 214.14 to activities related to mobilization, staging, construction, reconstruction, replacement, or
 214.15 repair of natural gas transmission, distribution, storage, or general facilities.

214.16 Subd. 8. **Extraordinary event bonds.** "Extraordinary event bonds" means low-cost
 214.17 corporate securities, including but not limited to senior secured bonds, debentures, notes,
 214.18 certificates of participation, certificates of beneficial interest, certificates of ownership, or
 214.19 other evidences of indebtedness or ownership that have a scheduled maturity of no longer
 214.20 than 30 years and a final legal maturity date that is not later than 32 years from the issue
 214.21 date, that are rated AA or Aa2 or better by a major independent credit rating agency at the
 214.22 time of issuance, and that are issued by a utility or an assignee under a financing order.

214.23 Subd. 9. **Extraordinary event charge.** "Extraordinary event charge" means a
 214.24 nonbypassable charge that:

214.25 (1) is imposed on all customer bills by a utility that is the subject of a financing order
 214.26 or the utility's successors or assignees;

214.27 (2) is separate from the utility's base rates; and

214.28 (3) provides a source of revenue solely to repay, finance, or refinance extraordinary
 214.29 event costs.

214.30 Subd. 10. **Extraordinary event costs.** "Extraordinary event costs":

214.31 (1) means all incremental costs of extraordinary event activities that are approved by
 214.32 the commission in a financing order issued under section 216B.492 as being:

215.1 (i) necessary to enable the utility to restore or maintain natural gas service to customers
 215.2 after the utility experiences an extraordinary event; and

215.3 (ii) prudent and reasonable;

10.31 (2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary
 10.32 event activities;

11.1 (3) shall be net of applicable insurance proceeds, tax benefits, and any other amounts
 11.2 intended to reimburse the utility for extraordinary event activities, including government
 11.3 grants or aid of any kind;

11.4 (4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by
 11.5 a government agency or court under a federal or state environmental statute, rule, or
 11.6 regulation; and

11.7 (5) must be adjusted to reflect:

11.8 (i) the difference, as determined by the commission, between extraordinary event costs
 11.9 that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

11.10 (ii) a more fair or reasonable allocation of extraordinary event costs to customers over
 11.11 time, as expressed in a commission order.

11.12 **Subd. 11. Extraordinary event property.** "Extraordinary event property" means:

11.13 (1) all rights and interests of a utility or the utility's successor or assignee under a
 11.14 financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments
 11.15 to extraordinary event charges authorized under a financing order issued by the commission;
 11.16 and

11.17 (2) all revenue, collections, claims, rights to payments, payments, money, or proceeds
 11.18 arising from the rights and interests specified in clause (1), regardless of whether any are
 11.19 commingled with other revenue, collections, rights to payment, payments, money, or
 11.20 proceeds.

11.21 **Subd. 12. Extraordinary event revenue.** "Extraordinary event revenue" means revenue,
 11.22 receipts, collections, payments, money, claims, or other proceeds arising from extraordinary
 11.23 event property.

11.24 **Subd. 13. Financing costs.** "Financing costs" means:

11.25 (1) principal, interest, and redemption premiums that are payable on extraordinary event
 11.26 bonds;

11.27 (2) payments required under an ancillary agreement and amounts required to fund or
 11.28 replenish a reserve account or other accounts established under the terms of any indenture,
 11.29 ancillary agreement, or other financing document pertaining to the bonds;

11.30 (3) other demonstrable costs related to issuing, supporting, repaying, refunding, and
 11.31 servicing the bonds, including but not limited to servicing fees, accounting and auditing
 11.32 fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees,
 12.1 placement and underwriting fees, capitalized interest, rating agency fees, stock exchange
 12.2 listing and compliance fees, security registration fees, filing fees, information technology

215.4 (2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary
 215.5 event activities;

215.6 (3) shall be net of applicable insurance proceeds, tax benefits, and any other amounts
 215.7 intended to reimburse the utility for extraordinary event activities, including government
 215.8 grants or aid of any kind;

215.9 (4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by
 215.10 a government agency or court under a federal or state environmental statute, rule, or
 215.11 regulation; and

215.12 (5) must be adjusted to reflect:

215.13 (i) the difference, as determined by the commission, between extraordinary event costs
 215.14 that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

215.15 (ii) a more fair or reasonable allocation of extraordinary event costs to customers over
 215.16 time, as expressed in a commission order.

215.17 **Subd. 11. Extraordinary event property.** "Extraordinary event property" means:

215.18 (1) all rights and interests of a utility or the utility's successor or assignee under a
 215.19 financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments
 215.20 to extraordinary event charges authorized under a financing order issued by the commission;
 215.21 and

215.22 (2) all revenue, collections, claims, rights to payments, payments, money, or proceeds
 215.23 arising from the rights and interests specified in clause (1), regardless of whether any are
 215.24 commingled with other revenue, collections, rights to payment, payments, money, or
 215.25 proceeds.

215.26 **Subd. 12. Extraordinary event revenue.** "Extraordinary event revenue" means revenue,
 215.27 receipts, collections, payments, money, claims, or other proceeds arising from extraordinary
 215.28 event property.

215.29 **Subd. 13. Financing costs.** "Financing costs" means:

215.30 (1) principal, interest, and redemption premiums that are payable on extraordinary event
 215.31 bonds;

216.1 (2) payments required under an ancillary agreement and amounts required to fund or
 216.2 replenish a reserve account or other accounts established under the terms of any indenture,
 216.3 ancillary agreement, or other financing document pertaining to the bonds;

216.4 (3) other demonstrable costs related to issuing, supporting, repaying, refunding, and
 216.5 servicing the bonds, including but not limited to servicing fees, accounting and auditing
 216.6 fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees,
 216.7 placement and underwriting fees, capitalized interest, rating agency fees, stock exchange
 216.8 listing and compliance fees, security registration fees, filing fees, information technology

12.3 programming costs, and any other demonstrable costs necessary to otherwise ensure and
 12.4 guarantee the timely payment of the bonds or other amounts or charges payable in connection
 12.5 with the bonds;

12.6 (4) taxes and license fees imposed on the revenue generated from collecting an
 12.7 extraordinary event charge;

12.8 (5) state and local taxes, including franchise, sales and use, and other taxes or similar
 12.9 charges, including but not limited to regulatory assessment fees, whether paid, payable, or
 12.10 accrued; and

12.11 (6) costs incurred by the commission to hire and compensate additional temporary staff
 12.12 needed to perform the commission's responsibilities under this section and, in accordance
 12.13 with section 216B.494, to engage specialized counsel and expert consultants experienced
 12.14 in securitized utility ratepayer-backed bond financing similar to extraordinary event bonds.

12.15 Subd. 14. **Financing order.** "Financing order" means an order issued by the commission
 12.16 under section 216B.492 that authorizes an applicant to:

12.17 (1) issue extraordinary event bonds in one or more series;

12.18 (2) impose, charge, and collect extraordinary event charges; and

12.19 (3) create extraordinary event property.

12.20 Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event
 12.21 bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other
 12.22 person acting for the benefit of extraordinary event bondholders.

12.23 Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines,
 12.24 including distribution lines, underground storage areas, liquefied natural gas facilities,
 12.25 propane storage tanks, and other facilities the commission determines are used and useful
 12.26 to provide natural gas service to retail and transportation customers in Minnesota.

12.27 Subd. 17. **Nonbypassable.** "Nonbypassable" means that the payment of an extraordinary
 12.28 event charge required to repay bonds and related costs may not be avoided by any retail
 12.29 customer located within a utility service area.

12.30 Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved
 12.31 by the commission, including but not limited to:

13.1 (1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed
 13.2 by a storm event;

13.3 (2) costs to decommission and restore the site of a natural gas facility damaged or
 13.4 destroyed by an extraordinary event;

216.9 programming costs, and any other demonstrable costs necessary to otherwise ensure and
 216.10 guarantee the timely payment of the bonds or other amounts or charges payable in connection
 216.11 with the bonds;

216.12 (4) taxes and license fees imposed on the revenue generated from collecting an
 216.13 extraordinary event charge;

216.14 (5) state and local taxes, including franchise, sales and use, and other taxes or similar
 216.15 charges, including but not limited to regulatory assessment fees, whether paid, payable, or
 216.16 accrued; and

216.17 (6) costs incurred by the commission to hire and compensate additional temporary staff
 216.18 needed to perform the commission's responsibilities under this section and, in accordance
 216.19 with section 216B.494, to engage specialized counsel and expert consultants experienced
 216.20 in securitized utility ratepayer-backed bond financing similar to extraordinary event bonds.

216.21 Subd. 14. **Financing order.** "Financing order" means an order issued by the commission
 216.22 under section 216B.492 that authorizes an applicant to:

216.23 (1) issue extraordinary event bonds in one or more series;

216.24 (2) impose, charge, and collect extraordinary event charges; and

216.25 (3) create extraordinary event property.

216.26 Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event
 216.27 bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other
 216.28 person acting for the benefit of extraordinary event bondholders.

216.29 Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines,
 216.30 including distribution lines, underground storage areas, liquefied natural gas facilities,
 216.31 propane storage tanks, and other facilities the commission determines are used and useful
 216.32 to provide natural gas service to retail and transportation customers in Minnesota.

217.1 Subd. 17. **Nonbypassable.** "Nonbypassable" means that the payment of an extraordinary
 217.2 event charge required to repay bonds and related costs may not be avoided by any retail
 217.3 customer located within a utility service area.

217.4 Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved
 217.5 by the commission, including but not limited to:

217.6 (1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed
 217.7 by a storm event;

217.8 (2) costs to decommission and restore the site of a natural gas facility damaged or
 217.9 destroyed by an extraordinary event;

13.5 (3) other applicable capital and operating costs, accrued carrying charges, deferred
 13.6 expenses, reductions for applicable insurance, and salvage proceeds; and

13.7 (4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing
 13.8 debt agreements, or for waivers or consents related to existing debt agreements.

13.9 Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm,
 13.10 flood, earthquake, or other significant weather or natural disaster that causes substantial
 13.11 damage to a utility's infrastructure.

13.12 Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law
 13.13 to the rights and obligations of another legal entity as a result of bankruptcy, reorganization,
 13.14 restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or
 13.15 transfer of assets.

13.16 Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02,
 13.17 subdivision 4, that provides natural gas service to Minnesota customers. Utility includes
 13.18 the utility's successors or assignees.

13.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.20 Sec. 9. **[216B.492] FINANCING ORDER.**

13.21 Subdivision 1. **Application.** (a) A utility may file an application with the commission
 13.22 for the issuance of a financing order to enable the utility to recover extraordinary event costs
 13.23 through the issuance of extraordinary event bonds under this section.

13.24 (b) The application must include the following information, as applicable:

13.25 (1) a description of each natural gas facility to be repaired or replaced;

13.26 (2) the undepreciated value remaining in the natural gas facility whose repair or
 13.27 replacement is proposed to be financed through the issuance of bonds under sections
 13.28 216B.491 to 216B.499, and the method used to calculate the amount;

13.29 (3) the estimated amount of costs imposed on customers resulting from an extraordinary
 13.30 event that involves no physical damage to natural gas facilities;

14.1 (4) the estimated savings or estimated mitigation of rate impacts to utility customers if
 14.2 the financing order is issued as requested in the application, calculated by comparing the
 14.3 costs to customers that are expected to result from implementing the financing order and
 14.4 the estimated costs associated with implementing traditional utility financing mechanisms
 14.5 with respect to the same undepreciated balance, expressed in net present value terms;

14.6 (5) a description of (i) the nonbypassable extraordinary event charge utility customers
 14.7 would be required to pay in order to fully recover financing costs, and (ii) the method and
 14.8 assumptions used to calculate the amount;

217.10 (3) other applicable capital and operating costs, accrued carrying charges, deferred
 217.11 expenses, reductions for applicable insurance, and salvage proceeds; and

217.12 (4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing
 217.13 debt agreements, or for waivers or consents related to existing debt agreements.

217.14 Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm,
 217.15 flood, earthquake, or other significant weather or natural disaster that causes substantial
 217.16 damage to a utility's infrastructure.

217.17 Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law
 217.18 to the rights and obligations of another legal entity as a result of bankruptcy, reorganization,
 217.19 restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or
 217.20 transfer of assets.

217.21 Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02,
 217.22 subdivision 4, that provides natural gas service to Minnesota customers. Utility includes
 217.23 the utility's successors or assignees.

217.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

217.25 Sec. 5. **[216B.492] FINANCING ORDER.**

217.26 Subdivision 1. **Application.** (a) A utility may file an application with the commission
 217.27 for the issuance of a financing order to enable the utility to recover extraordinary event costs
 217.28 through the issuance of extraordinary event bonds under this section.

217.29 (b) The application must include the following information, as applicable:

217.30 (1) a description of each natural gas facility to be repaired or replaced;

218.1 (2) the undepreciated value remaining in the natural gas facility whose repair or
 218.2 replacement is proposed to be financed through the issuance of bonds under sections
 218.3 216B.491 to 216B.499, and the method used to calculate the amount;

218.4 (3) the estimated amount of costs imposed on customers resulting from an extraordinary
 218.5 event that involves no physical damage to natural gas facilities;

218.6 (4) the estimated savings or estimated mitigation of rate impacts to utility customers if
 218.7 the financing order is issued as requested in the application, calculated by comparing the
 218.8 costs to customers that are expected to result from implementing the financing order and
 218.9 the estimated costs associated with implementing traditional utility financing mechanisms
 218.10 with respect to the same undepreciated balance, expressed in net present value terms;

218.11 (5) a description of (i) the nonbypassable extraordinary event charge utility customers
 218.12 would be required to pay in order to fully recover financing costs, and (ii) the method and
 218.13 assumptions used to calculate the amount;

- 14.9 (6) a proposed methodology to allocate the revenue requirement for the extraordinary
14.10 event charge among the utility's customer classes;
- 14.11 (7) a description of a proposed adjustment mechanism to be implemented when necessary
14.12 to correct any overcollection or undercollection of extraordinary event charges, in order to
14.13 complete payment of scheduled principal and interest on extraordinary event bonds and
14.14 other financing costs in a timely fashion;
- 14.15 (8) a memorandum with supporting exhibits, from a securities firm that is experienced
14.16 in the marketing of bonds and that is approved by the commissioner of management and
14.17 budget, indicating the proposed issuance satisfies the current published AA or Aa2 or higher
14.18 rating or equivalent rating criteria of at least one nationally recognized securities rating
14.19 organization for issuances similar to the proposed extraordinary event bonds;
- 14.20 (9) an estimate of the timing of the issuance and the term of the extraordinary event
14.21 bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance
14.22 does not exceed 30 years;
- 14.23 (10) identification of plans to sell, assign, transfer, or convey, other than as a security,
14.24 interest in extraordinary event property, including identification of an assignee, and
14.25 demonstration that the assignee is a financing entity wholly owned, directly or indirectly,
14.26 by the utility;
- 14.27 (11) identification of ancillary agreements that may be necessary or appropriate;
- 14.28 (12) one or more alternative financing scenarios in addition to the preferred scenario
14.29 contained in the application;
- 14.30 (13) the extent of damage to the utility's infrastructure caused by an extraordinary event
14.31 and the estimated costs to repair or replace the damaged infrastructure;
- 14.32 (14) a schedule of the proposed repairs to and replacement of damaged infrastructure;
- 15.1 (15) a description of the steps taken to provide customers interim natural gas service
15.2 while the damaged infrastructure is being repaired or replaced; and
- 15.3 (16) a description of the impacts on the utility's current workforce resulting from
15.4 implementing an infrastructure repair or replacement plan following an extraordinary event.
- 15.5 Subd. 2. **Findings.** After providing notice and holding a public hearing on an application
15.6 filed under subdivision 1, the commission may issue a financing order if the commission
15.7 finds that:
- 15.8 (1) the extraordinary event costs described in the application are reasonable;
- 15.9 (2) the proposed issuance of extraordinary event bonds and the imposition and collection
15.10 of extraordinary event charges;

- 218.14 (6) a proposed methodology to allocate the revenue requirement for the extraordinary
218.15 event charge among the utility's customer classes;
- 218.16 (7) a description of a proposed adjustment mechanism to be implemented when necessary
218.17 to correct any overcollection or undercollection of extraordinary event charges, in order to
218.18 complete payment of scheduled principal and interest on extraordinary event bonds and
218.19 other financing costs in a timely fashion;
- 218.20 (8) a memorandum with supporting exhibits, from a securities firm that is experienced
218.21 in the marketing of bonds and that is approved by the commissioner of management and
218.22 budget, indicating the proposed issuance satisfies the current published AA or Aa2 or higher
218.23 rating or equivalent rating criteria of at least one nationally recognized securities rating
218.24 organization for issuances similar to the proposed extraordinary event bonds;
- 218.25 (9) an estimate of the timing of the issuance and the term of the extraordinary event
218.26 bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance
218.27 does not exceed 30 years;
- 218.28 (10) identification of plans to sell, assign, transfer, or convey, other than as a security,
218.29 interest in extraordinary event property, including identification of an assignee, and
218.30 demonstration that the assignee is a financing entity wholly owned, directly or indirectly,
218.31 by the utility;
- 218.32 (11) identification of ancillary agreements that may be necessary or appropriate;
- 219.1 (12) one or more alternative financing scenarios in addition to the preferred scenario
219.2 contained in the application;
- 219.3 (13) the extent of damage to the utility's infrastructure caused by an extraordinary event
219.4 and the estimated costs to repair or replace the damaged infrastructure;
- 219.5 (14) a schedule of the proposed repairs to and replacement of damaged infrastructure;
- 219.6 (15) a description of the steps taken to provide customers interim natural gas service
219.7 while the damaged infrastructure is being repaired or replaced; and
- 219.8 (16) a description of the impacts on the utility's current workforce resulting from
219.9 implementing an infrastructure repair or replacement plan following an extraordinary event.
- 219.10 Subd. 2. **Findings.** After providing notice and holding a public hearing on an application
219.11 filed under subdivision 1, the commission may issue a financing order if the commission
219.12 finds that:
- 219.13 (1) the extraordinary event costs described in the application are reasonable;
- 219.14 (2) the proposed issuance of extraordinary event bonds and the imposition and collection
219.15 of extraordinary event charges;

15.11 (i) are just and reasonable;
 15.12 (ii) are consistent with the public interest;
 15.13 (iii) constitute a prudent and reasonable mechanism to finance the extraordinary event
 15.14 costs; and
 15.15 (iv) provide tangible and quantifiable benefits to customers that exceed the benefits that
 15.16 would have been achieved absent the issuance of extraordinary event bonds; and
 15.17 (3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:
 15.18 (i) significantly lower overall costs to customers or significantly mitigate rate impacts
 15.19 to customers relative to traditional methods of financing; and
 15.20 (ii) achieve significant customer savings or significant mitigation of rate impacts to
 15.21 customers, as determined by the commission in a financing order, consistent with market
 15.22 conditions at the time of sale and the terms of the financing order.
 15.23 Subd. 3. Contents. (a) A financing order issued under this section must:
 15.24 (1) determine the maximum amount of extraordinary event costs that may be financed
 15.25 from proceeds of extraordinary event bonds issued pursuant to the financing order;
 15.26 (2) describe the proposed customer billing mechanism for extraordinary event charges
 15.27 and include a finding that the mechanism is just and reasonable;
 15.28 (3) describe the financing costs that may be recovered through extraordinary event
 15.29 charges and the period over which the costs may be recovered, which must end no earlier
 15.30 than the date of final legal maturity of the extraordinary event bonds;
 16.1 (4) describe the extraordinary event property that is created and that may be used to pay,
 16.2 and secure the payment of, the extraordinary event bonds and financing costs authorized in
 16.3 the financing order;
 16.4 (5) authorize the utility to finance extraordinary event costs through the issuance of one
 16.5 or more series of extraordinary event bonds. A utility is not required to secure a separate
 16.6 financing order for each issuance of extraordinary event bonds or for each scheduled phase
 16.7 of the replacement of natural gas facilities approved in the financing order;
 16.8 (6) include a formula-based mechanism that must be used to make expeditious periodic
 16.9 adjustments to the extraordinary event charge authorized by the financing order that are
 16.10 necessary to correct for any overcollection or undercollection, or to otherwise guarantee
 16.11 the timely payment of extraordinary event bonds, financing costs, and other required amounts
 16.12 and charges payable in connection with extraordinary event bonds;

219.16 (i) are just and reasonable;
 219.17 (ii) are consistent with the public interest;
 219.18 (iii) constitute a prudent and reasonable mechanism to finance the extraordinary event
 219.19 costs; and
 219.20 (iv) provide tangible and quantifiable benefits to customers that exceed the benefits that
 219.21 would have been achieved absent the issuance of extraordinary event bonds; and
 219.22 (3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:
 219.23 (i) significantly lower overall costs to customers or significantly mitigate rate impacts
 219.24 to customers relative to traditional methods of financing; and
 219.25 (ii) achieve significant customer savings or significant mitigation of rate impacts to
 219.26 customers, as determined by the commission in a financing order, consistent with market
 219.27 conditions at the time of sale and the terms of the financing order.
 219.28 Subd. 3. Contents. (a) A financing order issued under this section must:
 219.29 (1) determine the maximum amount of extraordinary event costs that may be financed
 219.30 from proceeds of extraordinary event bonds issued pursuant to the financing order;
 220.1 (2) describe the proposed customer billing mechanism for extraordinary event charges
 220.2 and include a finding that the mechanism is just and reasonable;
 220.3 (3) describe the financing costs that may be recovered through extraordinary event
 220.4 charges and the period over which the costs may be recovered, which must end no earlier
 220.5 than the date of final legal maturity of the extraordinary event bonds;
 220.6 (4) describe the extraordinary event property that is created and that may be used to pay,
 220.7 and secure the payment of, the extraordinary event bonds and financing costs authorized in
 220.8 the financing order;
 220.9 (5) authorize the utility to finance extraordinary event costs through the issuance of one
 220.10 or more series of extraordinary event bonds. A utility is not required to secure a separate
 220.11 financing order for each issuance of extraordinary event bonds or for each scheduled phase
 220.12 of the replacement of natural gas facilities approved in the financing order;
 220.13 (6) include a formula-based mechanism that must be used to make expeditious periodic
 220.14 adjustments to the extraordinary event charge authorized by the financing order that are
 220.15 necessary to correct for any overcollection or undercollection, or to otherwise guarantee
 220.16 the timely payment of extraordinary event bonds, financing costs, and other required amounts
 220.17 and charges payable in connection with extraordinary event bonds;

16.13 (7) specify the degree of flexibility afforded to the utility in establishing the terms and
 16.14 conditions of the extraordinary event bonds, including but not limited to repayment schedules,
 16.15 expected interest rates, and other financing costs;

16.16 (8) specify that the extraordinary event bonds must be issued as soon as feasible following
 16.17 issuance of the financing order;

16.18 (9) require the utility, at the same time as extraordinary event charges are initially
 16.19 collected and independent of the schedule to close and decommission any natural gas facility
 16.20 replaced as the result of an extraordinary event, to remove the natural gas facility from the
 16.21 utility's rate base and commensurately reduce the utility's base rates;

16.22 (10) specify a future ratemaking process to reconcile any difference between the projected
 16.23 pretax costs included in the amount financed by extraordinary event bonds and the final
 16.24 actual pretax costs incurred by the utility to retire or replace the natural gas facility;

16.25 (11) specify information regarding bond issuance and repayments, financing costs,
 16.26 energy transaction charges, extraordinary event property, and related matters that the natural
 16.27 gas utility is required to provide to the commission on a schedule determined by the
 16.28 commission;

16.29 (12) allow and may require the creation of a utility's extraordinary event property to be
 16.30 conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary
 16.31 event property to an assignee and the pledge of the extraordinary event property to secure
 16.32 the extraordinary event bonds;

17.1 (13) ensure that the structuring, marketing, and pricing of extraordinary event bonds
 17.2 result in reasonable securitization bond charges and significant customer savings or rate
 17.3 impact mitigation, consistent with market conditions and the terms of the financing order;
 17.4 and

17.5 (14) specify that a utility financing the replacement of one or more natural gas facilities
 17.6 after the natural gas facilities subject to the finance order are removed from the utility's rate
 17.7 base is prohibited from:

17.8 (i) operating the natural gas facilities; or

17.9 (ii) selling the natural gas facilities to another entity to be operated as natural gas facilities.

17.10 (b) A financing order issued under this section may:

17.11 (1) include conditions different from those requested in the application that the
 17.12 commission determines are necessary to:

17.13 (i) promote the public interest; and

17.14 (ii) maximize the financial benefits or minimize the financial risks of the transaction to
 17.15 customers and to directly impacted Minnesota workers and communities; and

220.18 (7) specify the degree of flexibility afforded to the utility in establishing the terms and
 220.19 conditions of the extraordinary event bonds, including but not limited to repayment schedules,
 220.20 expected interest rates, and other financing costs;

220.21 (8) specify that the extraordinary event bonds must be issued as soon as feasible following
 220.22 issuance of the financing order;

220.23 (9) require the utility, at the same time as extraordinary event charges are initially
 220.24 collected and independent of the schedule to close and decommission any natural gas facility
 220.25 replaced as the result of an extraordinary event, to remove the natural gas facility from the
 220.26 utility's rate base and commensurately reduce the utility's base rates;

220.27 (10) specify a future ratemaking process to reconcile any difference between the projected
 220.28 pretax costs included in the amount financed by extraordinary event bonds and the final
 220.29 actual pretax costs incurred by the utility to retire or replace the natural gas facility;

220.30 (11) specify information regarding bond issuance and repayments, financing costs,
 220.31 energy transaction charges, extraordinary event property, and related matters that the natural
 220.32 gas utility is required to provide to the commission on a schedule determined by the
 220.33 commission;

221.1 (12) allow and may require the creation of a utility's extraordinary event property to be
 221.2 conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary
 221.3 event property to an assignee and the pledge of the extraordinary event property to secure
 221.4 the extraordinary event bonds;

221.5 (13) ensure that the structuring, marketing, and pricing of extraordinary event bonds
 221.6 result in reasonable securitization bond charges and significant customer savings or rate
 221.7 impact mitigation, consistent with market conditions and the terms of the financing order;
 221.8 and

221.9 (14) specify that a utility financing the replacement of one or more natural gas facilities
 221.10 after the natural gas facilities subject to the finance order are removed from the utility's rate
 221.11 base is prohibited from:

221.12 (i) operating the natural gas facilities; or

221.13 (ii) selling the natural gas facilities to another entity to be operated as natural gas facilities.

221.14 (b) A financing order issued under this section may:

221.15 (1) include conditions different from those requested in the application that the
 221.16 commission determines are necessary to:

221.17 (i) promote the public interest; and

221.18 (ii) maximize the financial benefits or minimize the financial risks of the transaction to
 221.19 customers and to directly impacted Minnesota workers and communities; and

- 17.16 (2) specify the selection of one or more underwriters of the extraordinary event bonds.
- 17.17 Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains
 17.18 in effect until the extraordinary event bonds issued under the financing order and all financing
 17.19 costs related to the bonds have been paid in full.
- 17.20 (b) A financing order remains in effect and unabated notwithstanding the bankruptcy,
 17.21 reorganization, or insolvency of the utility to which the financing order applies or any
 17.22 affiliate, successor, or assignee of the utility to which the financing order applies.
- 17.23 (c) Subject to judicial review under section 216B.52, a financing order is irrevocable
 17.24 and is not reviewable by a future commission. The commission may not reduce, impair,
 17.25 postpone, or terminate extraordinary event charges approved in a financing order, or impair
 17.26 extraordinary event property or the collection or recovery of extraordinary event revenue.
- 17.27 (d) Notwithstanding paragraph (c), the commission may, on the commission's own
 17.28 motion or at the request of a utility or any other person, commence a proceeding and issue
 17.29 a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary
 17.30 event bonds issued under the original financing order if:
- 17.31 (1) the commission makes all of the findings specified in subdivision 2 with respect to
 17.32 the subsequent financing order; and
- 18.1 (2) the modification contained in the subsequent financing order does not in any way
 18.2 impair the covenants and terms of the extraordinary event bonds being refinanced, retired,
 18.3 or refunded.
- 18.4 Subd. 5. **Effect on commission jurisdiction.** (a) Except as provided in paragraph (b),
 18.5 the commission, in exercising the powers and carrying out the duties under this section, is
 18.6 prohibited from:
- 18.7 (1) considering extraordinary event bonds issued under this section to be debt of the
 18.8 utility other than for income tax purposes, unless it is necessary to consider the extraordinary
 18.9 event bonds to be debt in order to achieve consistency with prevailing utility debt rating
 18.10 methodologies;
- 18.11 (2) considering the extraordinary event charges paid under the financing order to be
 18.12 revenue of the utility;
- 18.13 (3) considering the extraordinary event or financing costs specified in the financing
 18.14 order to be the regulated costs or assets of the utility; or
- 18.15 (4) determining that any prudent action taken by a utility that is consistent with the
 18.16 financing order is unjust or unreasonable.
- 18.17 (b) Nothing in this subdivision:

- 221.20 (2) specify the selection of one or more underwriters of the extraordinary event bonds.
- 221.21 Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains
 221.22 in effect until the extraordinary event bonds issued under the financing order and all financing
 221.23 costs related to the bonds have been paid in full.
- 221.24 (b) A financing order remains in effect and unabated notwithstanding the bankruptcy,
 221.25 reorganization, or insolvency of the utility to which the financing order applies or any
 221.26 affiliate, successor, or assignee of the utility to which the financing order applies.
- 221.27 (c) Subject to judicial review under section 216B.52, a financing order is irrevocable
 221.28 and is not reviewable by a future commission. The commission may not reduce, impair,
 221.29 postpone, or terminate extraordinary event charges approved in a financing order, or impair
 221.30 extraordinary event property or the collection or recovery of extraordinary event revenue.
- 221.31 (d) Notwithstanding paragraph (c), the commission may, on the commission's own
 221.32 motion or at the request of a utility or any other person, commence a proceeding and issue
 222.1 a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary
 222.2 event bonds issued under the original financing order if:
- 222.3 (1) the commission makes all of the findings specified in subdivision 2 with respect to
 222.4 the subsequent financing order; and
- 222.5 (2) the modification contained in the subsequent financing order does not in any way
 222.6 impair the covenants and terms of the extraordinary event bonds being refinanced, retired,
 222.7 or refunded.
- 222.8 Subd. 5. **Effect on commission jurisdiction.** (a) Except as provided in paragraph (b),
 222.9 the commission, in exercising the powers and carrying out the duties under this section, is
 222.10 prohibited from:
- 222.11 (1) considering extraordinary event bonds issued under this section to be debt of the
 222.12 utility other than for income tax purposes, unless it is necessary to consider the extraordinary
 222.13 event bonds to be debt in order to achieve consistency with prevailing utility debt rating
 222.14 methodologies;
- 222.15 (2) considering the extraordinary event charges paid under the financing order to be
 222.16 revenue of the utility;
- 222.17 (3) considering the extraordinary event or financing costs specified in the financing
 222.18 order to be the regulated costs or assets of the utility; or
- 222.19 (4) determining that any prudent action taken by a utility that is consistent with the
 222.20 financing order is unjust or unreasonable.
- 222.21 (b) Nothing in this subdivision:

18.18 (1) affects the authority of the commission to apply or modify any billing mechanism
 18.19 designed to recover extraordinary event charges;

18.20 (2) prevents or precludes the commission from (i) investigating a utility's compliance
 18.21 with the terms and conditions of a financing order, and (ii) requiring compliance with the
 18.22 financing order; or

18.23 (3) prevents or precludes the commission from imposing regulatory sanctions against a
 18.24 utility for failure to comply with the terms and conditions of a financing order or the
 18.25 requirements of this section.

18.26 (c) The commission is prohibited from refusing to allow a utility to recover any costs
 18.27 associated with the replacement of natural gas facilities solely because the utility has elected
 18.28 to finance the natural gas facility replacement through a financing mechanism other than
 18.29 extraordinary event bonds.

18.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

19.1 **Sec. 10. [216B.493] POSTORDER COMMISSION DUTIES.**

19.2 Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary
 19.3 event bonds are issued, a utility subject to a financing order must file with the commission
 19.4 the actual initial and ongoing financing costs, the final structure and pricing of the
 19.5 extraordinary event bonds, and the actual extraordinary event charge. The commission must
 19.6 review the prudence of the natural gas utility's actions to determine whether the actual
 19.7 financing costs were the lowest that could reasonably be achieved given the terms of the
 19.8 financing order and market conditions prevailing at the time of the bond's issuance.

19.9 Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this
 19.10 section are not prudent or are inconsistent with the financing order, the commission may
 19.11 apply any remedies available, provided that any remedy applied may not directly or indirectly
 19.12 impair the security for the extraordinary event bonds.

19.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

19.14 **Sec. 11. [216B.494] USE OF OUTSIDE EXPERTS.**

19.15 (a) In carrying out the duties under this section, the commission may:

19.16 (1) contract with outside consultants and counsel experienced in securitized utility
 19.17 customer-backed bond financing similar to extraordinary event bonds; and

19.18 (2) hire and compensate additional temporary staff as needed.

19.19 Expenses incurred by the commission under this paragraph must be treated as financing
 19.20 costs and included in the extraordinary event charge. The costs incurred under clause (1)
 19.21 are not an obligation of the state and are assigned solely to the transaction.

222.22 (1) affects the authority of the commission to apply or modify any billing mechanism
 222.23 designed to recover extraordinary event charges;

222.24 (2) prevents or precludes the commission from (i) investigating a utility's compliance
 222.25 with the terms and conditions of a financing order, and (ii) requiring compliance with the
 222.26 financing order; or

222.27 (3) prevents or precludes the commission from imposing regulatory sanctions against a
 222.28 utility for failure to comply with the terms and conditions of a financing order or the
 222.29 requirements of this section.

222.30 (c) The commission is prohibited from refusing to allow a utility to recover any costs
 222.31 associated with the replacement of natural gas facilities solely because the utility has elected
 223.1 to finance the natural gas facility replacement through a financing mechanism other than
 223.2 extraordinary event bonds.

223.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

223.4 **Sec. 6. [216B.493] POSTORDER COMMISSION DUTIES.**

223.5 Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary
 223.6 event bonds are issued, a utility subject to a financing order must file with the commission
 223.7 the actual initial and ongoing financing costs, the final structure and pricing of the
 223.8 extraordinary event bonds, and the actual extraordinary event charge. The commission must
 223.9 review the prudence of the natural gas utility's actions to determine whether the actual
 223.10 financing costs were the lowest that could reasonably be achieved given the terms of the
 223.11 financing order and market conditions prevailing at the time of the bond's issuance.

223.12 Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this
 223.13 section are not prudent or are inconsistent with the financing order, the commission may
 223.14 apply any remedies available, provided that any remedy applied may not directly or indirectly
 223.15 impair the security for the extraordinary event bonds.

223.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

223.17 **Sec. 7. [216B.494] USE OF OUTSIDE EXPERTS.**

223.18 (a) In carrying out the duties under this section, the commission may:

223.19 (1) contract with outside consultants and counsel experienced in securitized utility
 223.20 customer-backed bond financing similar to extraordinary event bonds; and

223.21 (2) hire and compensate additional temporary staff as needed.

223.22 Expenses incurred by the commission under this paragraph must be treated as financing
 223.23 costs and included in the extraordinary event charge. The costs incurred under clause (1)
 223.24 are not an obligation of the state and are assigned solely to the transaction.

19.22 (b) A utility presented with a written request from the commission for reimbursement
 19.23 of the commission's expenses incurred under paragraph (a), accompanied by a detailed
 19.24 account of those expenses, must remit full payment of the expenses to the commission
 19.25 within 30 days of receiving the request.

19.26 (c) If a utility's application for a financing order is denied or withdrawn for any reason
 19.27 and extraordinary event bonds are not issued, the commission's costs to retain expert
 19.28 consultants under this section must be paid by the applicant utility and are deemed to be
 19.29 prudent deferred expenses eligible for recovery in the utility's future rates.

19.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

20.1 **Sec. 12. [216B.495] EXTRAORDINARY EVENT CHARGE; BILLING**
 20.2 **TREATMENT.**

20.3 (a) A utility that obtains a financing order and causes extraordinary event bonds to be
 20.4 issued must:

20.5 (1) include on each customer's monthly natural gas bill:

20.6 (i) a statement that a portion of the charges represents extraordinary event charges
 20.7 approved in a financing order;

20.8 (ii) the amount and rate of the extraordinary event charge as a separate line item titled
 20.9 "extraordinary event charge"; and

20.10 (iii) if extraordinary event property has been transferred to an assignee, a statement that
 20.11 the assignee is the owner of the rights to extraordinary event charges and that the utility or
 20.12 other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

20.13 (2) file annually with the commission:

20.14 (i) a calculation of the impact of financing the retirement or replacement of natural gas
 20.15 facilities on customer rates, itemized by customer class; and

20.16 (ii) evidence demonstrating that extraordinary event revenues are applied solely to the
 20.17 repayment of extraordinary event bonds and other financing costs.

20.18 (b) Extraordinary event charges are nonbypassable and must be paid by all existing and
 20.19 future customers receiving service from the utility or the utility's successors or assignees
 20.20 under commission-approved rate schedules or special contracts.

20.21 (c) A utility's failure to comply with this section does not invalidate, impair, or affect
 20.22 any financing order, extraordinary event property, extraordinary event charge, or
 20.23 extraordinary event bonds, but does subject the utility to penalties under applicable
 20.24 commission rules.

20.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

223.25 (b) A utility presented with a written request from the commission for reimbursement
 223.26 of the commission's expenses incurred under paragraph (a), accompanied by a detailed
 223.27 account of those expenses, must remit full payment of the expenses to the commission
 223.28 within 30 days of receiving the request.

223.29 (c) If a utility's application for a financing order is denied or withdrawn for any reason
 223.30 and extraordinary event bonds are not issued, the commission's costs to retain expert
 224.1 consultants under this section must be paid by the applicant utility and are deemed to be
 224.2 prudent deferred expenses eligible for recovery in the utility's future rates.

224.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

224.4 **Sec. 8. [216B.495] EXTRAORDINARY EVENT CHARGE; BILLING TREATMENT.**

224.5 (a) A utility that obtains a financing order and causes extraordinary event bonds to be
 224.6 issued must:

224.7 (1) include on each customer's monthly natural gas bill:

224.8 (i) a statement that a portion of the charges represents extraordinary event charges
 224.9 approved in a financing order;

224.10 (ii) the amount and rate of the extraordinary event charge as a separate line item titled
 224.11 "extraordinary event charge"; and

224.12 (iii) if extraordinary event property has been transferred to an assignee, a statement that
 224.13 the assignee is the owner of the rights to extraordinary event charges and that the utility or
 224.14 other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

224.15 (2) file annually with the commission:

224.16 (i) a calculation of the impact of financing the retirement or replacement of natural gas
 224.17 facilities on customer rates, itemized by customer class; and

224.18 (ii) evidence demonstrating that extraordinary event revenues are applied solely to the
 224.19 repayment of extraordinary event bonds and other financing costs.

224.20 (b) Extraordinary event charges are nonbypassable and must be paid by all existing and
 224.21 future customers receiving service from the utility or the utility's successors or assignees
 224.22 under commission-approved rate schedules or special contracts.

224.23 (c) A utility's failure to comply with this section does not invalidate, impair, or affect
 224.24 any financing order, extraordinary event property, extraordinary event charge, or
 224.25 extraordinary event bonds, but does subject the utility to penalties under applicable
 224.26 commission rules.

224.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

20.26 Sec. 13. [216B.496] EXTRAORDINARY EVENT PROPERTY.

20.27 Subdivision 1. **General.** (a) Extraordinary event property is an existing present property
 20.28 right or interest in a property right, even though the imposition and collection of extraordinary
 20.29 event charges depend on the utility collecting extraordinary event charges and on future
 20.30 natural gas consumption. The property right or interest exists regardless of whether the
 21.1 revenues or proceeds arising from the extraordinary event property have been billed, have
 21.2 accrued, or have been collected.

21.3 (b) Extraordinary event property exists until all extraordinary event bonds issued under
 21.4 a financing order are paid in full and all financing costs and other costs of the extraordinary
 21.5 event bonds have been recovered in full.

21.6 (c) All or any portion of extraordinary event property described in a financing order
 21.7 issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee
 21.8 that is wholly owned, directly or indirectly, by the utility and is created for the limited
 21.9 purpose of acquiring, owning, or administering extraordinary event property or issuing
 21.10 extraordinary event bonds authorized by the financing order. All or any portion of
 21.11 extraordinary event property may be pledged to secure extraordinary event bonds issued
 21.12 under a financing order, amounts payable to financing parties and to counterparties under
 21.13 any ancillary agreements, and other financing costs. Each transfer, sale, conveyance,
 21.14 assignment, or pledge by a utility or an affiliate of extraordinary event property is a
 21.15 transaction in the ordinary course of business.

21.16 (d) If a utility defaults on any required payment of charges arising from extraordinary
 21.17 event property described in a financing order, a court, upon petition by an interested party
 21.18 and without limiting any other remedies available to the petitioner, must order the
 21.19 sequestration and payment of the revenues arising from the extraordinary event property to
 21.20 the financing parties.

21.21 (e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary
 21.22 event property specified in a financing order issued to a utility, and in the revenue and
 21.23 collections arising from the property, is not subject to setoff, counterclaim, surcharge, or
 21.24 defense by the utility or any other person, or in connection with the reorganization,
 21.25 bankruptcy, or other insolvency of the utility or any other entity.

21.26 (f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other
 21.27 insolvency proceeding; merger or acquisition; sale; other business combination; transfer by
 21.28 operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations
 21.29 of, and has the same duties and rights under, a financing order as the utility to which the
 21.30 financing order applies. A successor to a utility must perform the duties and exercise the
 21.31 rights in the same manner and to the same extent as the utility, including collecting and
 21.32 paying to any person entitled to receive revenues, collections, payments, or proceeds of
 21.33 extraordinary event property.

224.28 Sec. 9. [216B.496] EXTRAORDINARY EVENT PROPERTY.

224.29 Subdivision 1. **General.** (a) Extraordinary event property is an existing present property
 224.30 right or interest in a property right, even though the imposition and collection of extraordinary
 225.1 event charges depend on the utility collecting extraordinary event charges and on future
 225.2 natural gas consumption. The property right or interest exists regardless of whether the
 225.3 revenues or proceeds arising from the extraordinary event property have been billed, have
 225.4 accrued, or have been collected.

225.5 (b) Extraordinary event property exists until all extraordinary event bonds issued under
 225.6 a financing order are paid in full and all financing costs and other costs of the extraordinary
 225.7 event bonds have been recovered in full.

225.8 (c) All or any portion of extraordinary event property described in a financing order
 225.9 issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee
 225.10 that is wholly owned, directly or indirectly, by the utility and is created for the limited
 225.11 purpose of acquiring, owning, or administering extraordinary event property or issuing
 225.12 extraordinary event bonds authorized by the financing order. All or any portion of
 225.13 extraordinary event property may be pledged to secure extraordinary event bonds issued
 225.14 under a financing order, amounts payable to financing parties and to counterparties under
 225.15 any ancillary agreements, and other financing costs. Each transfer, sale, conveyance,
 225.16 assignment, or pledge by a utility or an affiliate of extraordinary event property is a
 225.17 transaction in the ordinary course of business.

225.18 (d) If a utility defaults on any required payment of charges arising from extraordinary
 225.19 event property described in a financing order, a court, upon petition by an interested party
 225.20 and without limiting any other remedies available to the petitioner, must order the
 225.21 sequestration and payment of the revenues arising from the extraordinary event property to
 225.22 the financing parties.

225.23 (e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary
 225.24 event property specified in a financing order issued to a utility, and in the revenue and
 225.25 collections arising from the property, is not subject to setoff, counterclaim, surcharge, or
 225.26 defense by the utility or any other person, or in connection with the reorganization,
 225.27 bankruptcy, or other insolvency of the utility or any other entity.

225.28 (f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other
 225.29 insolvency proceeding; merger or acquisition; sale; other business combination; transfer by
 225.30 operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations
 225.31 of, and has the same duties and rights under, a financing order as the utility to which the
 225.32 financing order applies. A successor to a utility must perform the duties and exercise the
 225.33 rights in the same manner and to the same extent as the utility, including collecting and
 226.1 paying to any person entitled to receive revenues, collections, payments, or proceeds of
 226.2 extraordinary event property.

22.1 Subd. 2. Security interests in extraordinary event property. (a) The creation,
22.2 perfection, and enforcement of any security interest in extraordinary event property to secure
22.3 the repayment of the principal and interest on extraordinary event bonds, amounts payable
22.4 under any ancillary agreement, and other financing costs are governed solely by this section.

22.5 (b) A security interest in extraordinary event property is created, valid, and binding
22.6 when:

22.7 (1) the financing order that describes the extraordinary event property is issued;

22.8 (2) a security agreement is executed and delivered; and

22.9 (3) value is received for the extraordinary event bonds.

22.10 (c) Once a security interest in extraordinary event property is created, the security interest
22.11 attaches without any physical delivery of collateral or any other act. The lien of the security
22.12 interest is valid, binding, and perfected against all parties having claims of any kind in tort,
22.13 contract, or otherwise against the person granting the security interest, regardless of whether
22.14 the parties have notice of the lien, upon the filing of a financing statement with the secretary
22.15 of state.

22.16 (d) The description or indication of extraordinary event property in a transfer or security
22.17 agreement and a financing statement is sufficient only if the description or indication refers
22.18 to this section and the financing order creating the extraordinary event property.

22.19 (e) A security interest in extraordinary event property is a continuously perfected security
22.20 interest and has priority over any other lien, created by operation of law or otherwise, which
22.21 may subsequently attach to the extraordinary event property unless the holder of the security
22.22 interest has agreed otherwise in writing.

22.23 (f) The priority of a security interest in extraordinary event property is not affected by
22.24 the commingling of extraordinary event property or extraordinary event revenue with other
22.25 money. An assignee, bondholder, or financing party has a perfected security interest in the
22.26 amount of all extraordinary event property or extraordinary event revenue that is pledged
22.27 to pay extraordinary event bonds, even if the extraordinary event property or extraordinary
22.28 event revenue is deposited in a cash or deposit account of the utility in which the
22.29 extraordinary event revenue is commingled with other money. Any other security interest
22.30 that applies to the other money does not apply to the extraordinary event revenue.

22.31 (g) Neither a subsequent commission order amending a financing order under section
22.32 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a
23.1 financing order under section 216B.492, subdivision 3, affects the validity, perfection, or
23.2 priority of a security interest in or transfer of extraordinary event property.

23.3 (h) A valid and enforceable security interest in extraordinary event property is perfected
23.4 only when the security interest has attached and when a financing order has been filed with
23.5 the secretary of state in accordance with procedures established by the secretary of state.

226.3 Subd. 2. Security interests in extraordinary event property. (a) The creation,
226.4 perfection, and enforcement of any security interest in extraordinary event property to secure
226.5 the repayment of the principal and interest on extraordinary event bonds, amounts payable
226.6 under any ancillary agreement, and other financing costs are governed solely by this section.

226.7 (b) A security interest in extraordinary event property is created, valid, and binding
226.8 when:

226.9 (1) the financing order that describes the extraordinary event property is issued;

226.10 (2) a security agreement is executed and delivered; and

226.11 (3) value is received for the extraordinary event bonds.

226.12 (c) Once a security interest in extraordinary event property is created, the security interest
226.13 attaches without any physical delivery of collateral or any other act. The lien of the security
226.14 interest is valid, binding, and perfected against all parties having claims of any kind in tort,
226.15 contract, or otherwise against the person granting the security interest, regardless of whether
226.16 the parties have notice of the lien, upon the filing of a financing statement with the secretary
226.17 of state.

226.18 (d) The description or indication of extraordinary event property in a transfer or security
226.19 agreement and a financing statement is sufficient only if the description or indication refers
226.20 to this section and the financing order creating the extraordinary event property.

226.21 (e) A security interest in extraordinary event property is a continuously perfected security
226.22 interest and has priority over any other lien, created by operation of law or otherwise, which
226.23 may subsequently attach to the extraordinary event property unless the holder of the security
226.24 interest has agreed otherwise in writing.

226.25 (f) The priority of a security interest in extraordinary event property is not affected by
226.26 the commingling of extraordinary event property or extraordinary event revenue with other
226.27 money. An assignee, bondholder, or financing party has a perfected security interest in the
226.28 amount of all extraordinary event property or extraordinary event revenue that is pledged
226.29 to pay extraordinary event bonds, even if the extraordinary event property or extraordinary
226.30 event revenue is deposited in a cash or deposit account of the utility in which the
226.31 extraordinary event revenue is commingled with other money. Any other security interest
226.32 that applies to the other money does not apply to the extraordinary event revenue.

227.1 (g) Neither a subsequent commission order amending a financing order under section
227.2 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a
227.3 financing order under section 216B.492, subdivision 3, affects the validity, perfection, or
227.4 priority of a security interest in or transfer of extraordinary event property.

227.5 (h) A valid and enforceable security interest in extraordinary event property is perfected
227.6 only when the security interest has attached and when a financing order has been filed with
227.7 the secretary of state in accordance with procedures established by the secretary of state.

23.6 The financing order must name the pledgor of the extraordinary event property as debtor
23.7 and identify the property.

23.8 Subd. 3. **Sales of extraordinary event property.** (a) A sale, assignment, or transfer of
23.9 extraordinary event property is an absolute transfer and true sale of, and not a pledge of or
23.10 secured transaction relating to, the seller's right, title, and interest in, to, and under the
23.11 extraordinary event property if the documents governing the transaction expressly state that
23.12 the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary
23.13 event property may be created when:

23.14 (1) the financing order creating and describing the extraordinary event property is
23.15 effective;

23.16 (2) the documents evidencing the transfer of the extraordinary event property are executed
23.17 and delivered to the assignee; and

23.18 (3) value is received.

23.19 (b) A transfer of an interest in extraordinary event property must be filed with the
23.20 secretary of state against all third persons and perfected under sections 336.3-301 to
23.21 336.3-312, including any judicial lien or other lien creditors or any claims of the seller or
23.22 creditors of the seller, other than creditors holding a prior security interest, ownership
23.23 interest, or assignment in the extraordinary event property previously perfected under this
23.24 subdivision or subdivision 2.

23.25 (c) The characterization of a sale, assignment, or transfer as an absolute transfer and
23.26 true sale, and the corresponding characterization of the property interest of the assignee, is
23.27 not affected or impaired by:

23.28 (1) commingling of extraordinary event revenue with other money;

23.29 (2) the retention by the seller of:

23.30 (i) a partial or residual interest, including an equity interest, in the extraordinary event
23.31 property, whether direct or indirect, or whether subordinate or otherwise; or

24.1 (ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed
24.2 on the collection of extraordinary event revenue;

24.3 (3) any recourse that the purchaser may have against the seller;

24.4 (4) any indemnification rights, obligations, or repurchase rights made or provided by
24.5 the seller;

24.6 (5) an obligation of the seller to collect extraordinary event revenues on behalf of an
24.7 assignee;

227.8 The financing order must name the pledgor of the extraordinary event property as debtor
227.9 and identify the property.

227.10 Subd. 3. **Sales of extraordinary event property.** (a) A sale, assignment, or transfer of
227.11 extraordinary event property is an absolute transfer and true sale of, and not a pledge of or
227.12 secured transaction relating to, the seller's right, title, and interest in, to, and under the
227.13 extraordinary event property if the documents governing the transaction expressly state that
227.14 the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary
227.15 event property may be created when:

227.16 (1) the financing order creating and describing the extraordinary event property is
227.17 effective;

227.18 (2) the documents evidencing the transfer of the extraordinary event property are executed
227.19 and delivered to the assignee; and

227.20 (3) value is received.

227.21 (b) A transfer of an interest in extraordinary event property must be filed with the
227.22 secretary of state against all third persons and perfected under sections 336.3-301 to
227.23 336.3-312, including any judicial lien or other lien creditors or any claims of the seller or
227.24 creditors of the seller, other than creditors holding a prior security interest, ownership
227.25 interest, or assignment in the extraordinary event property previously perfected under this
227.26 subdivision or subdivision 2.

227.27 (c) The characterization of a sale, assignment, or transfer as an absolute transfer and
227.28 true sale, and the corresponding characterization of the property interest of the assignee, is
227.29 not affected or impaired by:

227.30 (1) commingling of extraordinary event revenue with other money;

227.31 (2) the retention by the seller of:

227.32 (i) a partial or residual interest, including an equity interest, in the extraordinary event
227.33 property, whether direct or indirect, or whether subordinate or otherwise; or

228.1 (ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed
228.2 on the collection of extraordinary event revenue;

228.3 (3) any recourse that the purchaser may have against the seller;

228.4 (4) any indemnification rights, obligations, or repurchase rights made or provided by
228.5 the seller;

228.6 (5) an obligation of the seller to collect extraordinary event revenues on behalf of an
228.7 assignee;

24.8 (6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other
 24.9 purposes;

24.10 (7) any subsequent financing order amending a financing order under section 216B.492,
 24.11 subdivision 4, paragraph (d); or

24.12 (8) any application of an adjustment mechanism under section 216B.492, subdivision
 24.13 3, paragraph (a), clause (6).

24.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

24.15 Sec. 14. **[216B.497] EXTRAORDINARY EVENT BONDS.**

24.16 (a) Banks, trust companies, savings and loan associations, insurance companies, executors,
 24.17 administrators, guardians, trustees, and other fiduciaries may legally invest any money
 24.18 within the individual's or entity's control in extraordinary event bonds.

24.19 (b) Extraordinary event bonds issued under a financing order are not debt of or a pledge
 24.20 of the faith and credit or taxing power of the state, any agency of the state, or any political
 24.21 subdivision. Holders of extraordinary event bonds may not have taxes levied by the state
 24.22 or a political subdivision in order to pay the principal or interest on extraordinary event
 24.23 bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently
 24.24 obligate the state or a political subdivision to levy any tax or make any appropriation to pay
 24.25 principal or interest on the extraordinary event bonds.

24.26 (c) The state pledges to and agrees with holders of extraordinary event bonds, any
 24.27 assignee, and any financing parties that the state will not:

24.28 (1) take or permit any action that impairs the value of extraordinary event property; or

24.29 (2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and
 24.30 remitted for the benefit of holders of extraordinary event bonds, any assignee, and any
 24.31 financing parties until any principal, interest, and redemption premium payable on
 25.1 extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or
 25.2 financing party under an ancillary agreement are paid in full.

25.3 (d) A person who issues extraordinary event bonds may include the pledge specified in
 25.4 paragraph (c) in the extraordinary event bonds, ancillary agreements, and documentation
 25.5 related to the issuance and marketing of the extraordinary event bonds.

25.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

25.7 Sec. 15. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO**
 25.8 **COMMISSION REGULATION.**

25.9 An assignee or financing party that is not already regulated by the commission does not
 25.10 become subject to commission regulation solely as a result of engaging in any transaction
 25.11 authorized by or described in sections 216B.491 to 216B.499.

228.8 (6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other
 228.9 purposes;

228.10 (7) any subsequent financing order amending a financing order under section 216B.492,
 228.11 subdivision 4, paragraph (d); or

228.12 (8) any application of an adjustment mechanism under section 216B.492, subdivision
 228.13 3, paragraph (a), clause (6).

228.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

228.15 Sec. 10. **[216B.497] EXTRAORDINARY EVENT BONDS.**

228.16 (a) Banks, trust companies, savings and loan associations, insurance companies, executors,
 228.17 administrators, guardians, trustees, and other fiduciaries may legally invest any money
 228.18 within the individual's or entity's control in extraordinary event bonds.

228.19 (b) Extraordinary event bonds issued under a financing order are not debt of or a pledge
 228.20 of the faith and credit or taxing power of the state, any agency of the state, or any political
 228.21 subdivision. Holders of extraordinary event bonds may not have taxes levied by the state
 228.22 or a political subdivision in order to pay the principal or interest on extraordinary event
 228.23 bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently
 228.24 obligate the state or a political subdivision to levy any tax or make any appropriation to pay
 228.25 principal or interest on the extraordinary event bonds.

228.26 (c) The state pledges to and agrees with holders of extraordinary event bonds, any
 228.27 assignee, and any financing parties that the state will not:

228.28 (1) take or permit any action that impairs the value of extraordinary event property; or

228.29 (2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and
 228.30 remitted for the benefit of holders of extraordinary event bonds, any assignee, and any
 228.31 financing parties until any principal, interest, and redemption premium payable on
 229.1 extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or
 229.2 financing party under an ancillary agreement are paid in full.

229.3 (d) A person who issues extraordinary event bonds may include the pledge specified in
 229.4 paragraph (c) in the extraordinary event bonds, ancillary agreements, and documentation
 229.5 related to the issuance and marketing of the extraordinary event bonds.

229.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

229.7 Sec. 11. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO**
 229.8 **COMMISSION REGULATION.**

229.9 An assignee or financing party that is not already regulated by the commission does not
 229.10 become subject to commission regulation solely as a result of engaging in any transaction
 229.11 authorized by or described in sections 216B.491 to 216B.499.

25.12 EFFECTIVE DATE. This section is effective the day following final enactment.

25.13 Sec. 16. [216B.499] EFFECT ON OTHER LAWS.

25.14 (a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law
25.15 regarding the attachment, assignment, perfection, effect of perfection, or priority of any
25.16 security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499
25.17 govern.

25.18 (b) Nothing in this section precludes a utility for which the commission has initially
25.19 issued a financing order from applying to the commission for:

25.20 (1) a subsequent financing order amending the financing order under section 216B.492,
25.21 subdivision 4, paragraph (d); or

25.22 (2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding
25.23 series of extraordinary event bonds.

25.24 EFFECTIVE DATE. This section is effective the day following final enactment.

25.25 Sec. 17. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

25.26 Subdivision 1. **Commission approval required.** No public utility shall sell, acquire,
25.27 lease, or rent any plant as an operating unit or system in this state for a total consideration
25.28 in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or
25.29 transmission company operating in this state, without first being authorized so to do by the
25.30 commission. Upon the filing of an application for the approval and consent of the
26.1 commission, the commission shall investigate, with or without public hearing. The
26.2 commission shall hold a public hearing, upon such notice as the commission may require.
26.3 If the commission finds that the proposed action is consistent with the public interest, it
26.4 shall give its consent and approval by order in writing. In reaching its determination, the
26.5 commission shall take into consideration the reasonable value of the property, plant, or
26.6 securities to be acquired or disposed of, or merged and consolidated.

26.7 This section does not apply to the purchase of property to replace or add to the plant of
26.8 the public utility by construction.

229.12 EFFECTIVE DATE. This section is effective the day following final enactment.

229.13 Sec. 12. [216B.499] EFFECT ON OTHER LAWS.

229.14 (a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law
229.15 regarding the attachment, assignment, perfection, effect of perfection, or priority of any
229.16 security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499
229.17 govern.

229.18 (b) Nothing in this section precludes a utility for which the commission has initially
229.19 issued a financing order from applying to the commission for:

229.20 (1) a subsequent financing order amending the financing order under section 216B.492,
229.21 subdivision 4, paragraph (d); or

229.22 (2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding
229.23 series of extraordinary event bonds.

229.24 EFFECTIVE DATE. This section is effective the day following final enactment.

229.25 Sec. 13. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

229.26 Subdivision 1. **Commission approval required.** No public utility shall sell, acquire,
229.27 lease, or rent any plant as an operating unit or system in this state for a total consideration
229.28 in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or
229.29 transmission company operating in this state, without first being authorized so to do by the
229.30 commission. Upon the filing of an application for the approval and consent of the
230.1 commission, the commission shall investigate, with or without public hearing. The
230.2 commission shall hold a public hearing, upon such notice as the commission may require.
230.3 If the commission finds that the proposed action is consistent with the public interest, it
230.4 shall give its consent and approval by order in writing. In reaching its determination, the
230.5 commission shall take into consideration the reasonable value of the property, plant, or
230.6 securities to be acquired or disposed of, or merged and consolidated.

230.7 This section does not apply to the purchase of property to replace or add to the plant of
230.8 the public utility by construction.

230.9 Sec. 14. [216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.

230.10 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
230.11 the meanings given.

230.12 (b) "Participant" means a person who:

230.13 (1) meets the requirements of subdivision 2;

230.14 (2) either (i) files comments or appears in a commission proceeding concerning one or
230.15 more public utilities, excluding public hearings held in contested cases and commission
230.16 proceedings conducted to receive general public comments; or (ii) is permitted by the

- 230.17 commission to intervene in a commission proceeding concerning one or more public utilities;
 230.18 and
- 230.19 (3) files a request for compensation under this section.
- 230.20 (c) "Party" means a person who files comments or appears in a commission proceeding,
 230.21 other than public hearings, concerning one or more public utilities.
- 230.22 (d) "Proceeding" means an undertaking of the commission in which the commission
 230.23 seeks to resolve an issue affecting one or more public utilities and which results in a
 230.24 commission order.
- 230.25 (e) "Public utility" has the meaning given in section 216B.02, subdivision 4.
- 230.26 Subd. 2. **Participants; eligibility.** The following participants are eligible to receive
 230.27 compensation under this section:
- 230.28 (1) a nonprofit organization that is:
- 230.29 (i) exempt from taxation under section 501(c)(3) of the United States Internal Revenue
 230.30 Code;
- 230.31 (ii) incorporated or organized in Minnesota;
- 231.1 (iii) governed under chapter 317A or section 322C.1101; and
- 231.2 (iv) determined by the commission under subdivision 3, paragraph (c), to suffer financial
 231.3 hardship if not compensated for the nonprofit organization's participation in the applicable
 231.4 proceeding;
- 231.5 (2) a Tribal government of a federally recognized Indian Tribe that is located in
 231.6 Minnesota; or
- 231.7 (3) a Minnesota resident, except that an individual who owns a for-profit business that
 231.8 has earned revenue from a Minnesota utility in the past two years is not eligible for
 231.9 compensation.
- 231.10 Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to
 231.11 compensate all or part of a participant's reasonable costs to participate in a proceeding before
 231.12 the commission if the commission finds:
- 231.13 (1) that the participant has materially assisted the commission's deliberation; and
- 231.14 (2) if the participant is a nonprofit organization, that the participant would suffer financial
 231.15 hardship if the nonprofit organization's participation in the proceeding was not compensated.
- 231.16 (b) When determining whether a participant has materially assisted the commission's
 231.17 deliberation, the commission must find that:

- 231.18 (1) the participant made a unique contribution to the record and represented an interest
231.19 that would not otherwise have been adequately represented;
- 231.20 (2) the evidence or arguments presented or the positions taken by the participant were
231.21 an important factor in producing a fair decision;
- 231.22 (3) the participant's position promoted a public purpose or policy;
- 231.23 (4) the evidence presented, arguments made, issues raised, or positions taken by the
231.24 participant would not otherwise have been part of the record;
- 231.25 (5) the participant was active in any stakeholder process included in the proceeding; and
- 231.26 (6) the proceeding resulted in a commission order that adopted, in whole or in part, a
231.27 position advocated by the participant.
- 231.28 (c) When determining whether a nonprofit participant has demonstrated that a lack of
231.29 compensation would present financial hardship, the commission must find that the nonprofit
231.30 participant:
- 232.1 (1) incorporated or organized within three years of the date the applicable proceeding
232.2 began;
- 232.3 (2) has payroll expenses below \$750,000; or
- 232.4 (3) has secured less than \$100,000 in current year funding dedicated to participation in
232.5 commission proceedings, not including any participant compensation awarded under this
232.6 section.
- 232.7 (d) When reviewing a compensation request, the commission must consider whether
232.8 the costs presented in the participant's claim are reasonable.
- 232.9 Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$50,000 for a
232.10 single participant in any proceeding, except that:
- 232.11 (1) if a proceeding extends longer than 12 months, a participant may request compensation
232.12 of up to \$50,000 for costs incurred in each calendar year; and
- 232.13 (2) in a general rate case proceeding under section 216B.16 or an integrated resource
232.14 plan proceeding under section 216B.2422, the maximum single participant compensation
232.15 per proceeding under this section must not exceed \$75,000.
- 232.16 (b) A single participant must not be granted more than \$200,000 under this section in a
232.17 single calendar year.
- 232.18 (c) Compensation requests from joint participants must be presented as a single request.

- 232.19 (d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar
232.20 year, require a single public utility to pay aggregate compensation under this section that
232.21 exceeds the following amounts:
- 232.22 (1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue
232.23 in Minnesota;
- 232.24 (2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000
232.25 annual gross operating revenue in Minnesota;
- 232.26 (3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000
232.27 annual gross operating revenue in Minnesota; and
- 232.28 (4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating
232.29 revenue in Minnesota.
- 233.1 (e) When requests for compensation from any public utility approach the limits established
233.2 in paragraph (d), the commission may prioritize requests from participants that received
233.3 less than \$150,000 in total compensation during the previous two years.
- 233.4 Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a
233.5 request and an affidavit of service with the commission, and serve a copy of the request on
233.6 each party to the proceeding. The request must be filed no more than 30 days after the later
233.7 of: (1) the expiration of the period within which a petition for rehearing, amendment,
233.8 vacation, reconsideration, or reargument must be filed; or (2) the date the commission issues
233.9 an order following rehearing, amendment, vacation, reconsideration, or reargument.
- 233.10 (b) A compensation request must include:
- 233.11 (1) the name and address of the participant or nonprofit organization the participant is
233.12 representing;
- 233.13 (2) evidence of the organization's nonprofit, tax-exempt status, if applicable;
- 233.14 (3) the name and docket number of the proceeding for which compensation is requested;
- 233.15 (4) for a nonprofit participant, evidence supporting the nonprofit's eligibility for
233.16 compensation under the financial hardship test under subdivision 3, paragraph (c);
- 233.17 (5) amounts of compensation awarded to the participant under this section during the
233.18 current year and any pending requests for compensation, itemized by docket;
- 233.19 (6) an itemization of the participant's costs, including (i) hours worked and associated
233.20 hourly rates for each individual contributing to the participation, not including overhead
233.21 costs; (ii) participant revenues dedicated for the proceeding; and (iii) the total compensation
233.22 request; and

- 233.23 (7) a narrative describing the unique contribution made to the proceeding by the
233.24 participant.
- 233.25 (c) A participant must comply with reasonable requests for information by the commission
233.26 and other parties or participants. A participant must reply to information requests within
233.27 ten calendar days of the date the request is received, unless doing so would place an extreme
233.28 hardship upon the replying participant. The replying participant must provide a copy of the
233.29 information to any other participant or interested person upon request. Disputes regarding
233.30 information requests may be resolved by the commission.
- 233.31 (d) A party objecting to a request for compensation must, within 30 days after service
233.32 of the request for compensation, file a response and an affidavit of service with the
234.1 commission. A copy of the response must be served on the requesting participant and all
234.2 other parties to the proceeding.
- 234.3 (e) The requesting participant may file a reply with the commission within 15 days after
234.4 the date a response is filed under paragraph (d). A copy of the reply and an affidavit of
234.5 service must be served on all other parties to the proceeding.
- 234.6 (f) If additional costs are incurred by a participant as a result of additional proceedings
234.7 following the commission's initial order, the participant may file an amended request within
234.8 30 days after the date the commission issues an amended order. Paragraphs (b) to (e) apply
234.9 to an amended request.
- 234.10 (g) The commission must issue a decision on participant compensation within 120 days
234.11 of the date a request for compensation is filed by a participant.
- 234.12 (h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to
234.13 30 days upon the request of a participant or on the commission's own initiative.
- 234.14 (i) A participant may request reconsideration of the commission's compensation decision
234.15 within 30 days of the decision date.
- 234.16 **Subd. 6. Compensation; orders.** (a) If the commission issues an order requiring payment
234.17 of participant compensation, the public utility that was the subject of the proceeding must
234.18 pay the full compensation to the participant and file proof of payment with the commission
234.19 within 30 days after the later of: (1) the expiration of the period within which a petition for
234.20 reconsideration of the commission's compensation decision must be filed; or (2) the date
234.21 the commission issues an order following reconsideration of the commission's order on
234.22 participant compensation.
- 234.23 (b) If the commission issues an order requiring payment of participant compensation in
234.24 a proceeding involving multiple public utilities, the commission must apportion costs among
234.25 the public utilities in proportion to each public utility's annual revenue.
- 234.26 (c) The commission may issue orders necessary to allow a public utility to recover the
234.27 costs of participant compensation on a timely basis.

234.28 Subd. 7. **Report.** By July 1, 2025, the commission must report to the chairs and ranking
 234.29 minority members of the senate and house of representatives committees with primary
 234.30 jurisdiction over energy policy on the operation of this section, including but not limited
 234.31 to:

234.32 (1) the amount of compensation paid each year by each utility;

235.1 (2) each recipient of compensation, the commission dockets in which compensation was
 235.2 awarded, and the compensation amounts; and

235.3 (3) the impact resulting from the commission's adoption of positions advocated by
 235.4 compensated participants.

235.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 235.6 applies to any proceeding in which the commission has not issued a final order as of that
 235.7 date.

235.8 Sec. 15. Minnesota Statutes 2020, section 216E.03, subdivision 11, is amended to read:

235.9 Subd. 11. **Department of Commerce to provide technical expertise and other**
 235.10 **assistance.** (a) The commissioner of the Department of Commerce shall consult with other
 235.11 state agencies and provide technical expertise and other assistance to the commission or to
 235.12 individual members of the commission for activities and proceedings under this chapter
 235.13 and chapters 216F and 216G. This assistance shall include the sharing of power plant siting
 235.14 and routing staff and other resources as necessary. The commissioner shall periodically
 235.15 report to the commission concerning the Department of Commerce's costs of providing
 235.16 assistance. The report shall conform to the schedule and include the required contents
 235.17 specified by the commission. The commission shall include the costs of the assistance in
 235.18 assessments for activities and proceedings under those sections and reimburse the special
 235.19 revenue fund for those costs. If either the commissioner or the commission deems it
 235.20 necessary, the department and the commission shall enter into an interagency agreement
 235.21 establishing terms and conditions for the provision of assistance and sharing of resources
 235.22 under this subdivision.

235.23 (b) Notwithstanding the requirements of section 216B.33, the commissioner may take
 235.24 any action required or requested by the commission related to the environmental review
 235.25 requirements under chapter 216E or 216F immediately following a hearing and vote by the
 235.26 commission, prior to issuing a written order, finding, authorization, or certificate.

235.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

235.28 Sec. 16. Minnesota Statutes 2020, section 216E.04, subdivision 2, is amended to read:

235.29 Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to
 235.30 the following projects:

235.31 (1) large electric power generating plants with a capacity of less than 80 megawatts;

- 235.32 (2) large electric power generating plants that are fueled by natural gas;
- 236.1 (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- 236.2 (4) high-voltage transmission lines in excess of 200 kilovolts and less than ~~five~~ 30 miles
- 236.3 in length in Minnesota;
- 236.4 (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of
- 236.5 the distance of the line in Minnesota will be located along existing high-voltage transmission
- 236.6 line right-of-way;
- 236.7 (6) a high-voltage transmission line service extension to a single customer between 200
- 236.8 and 300 kilovolts and less than ten miles in length;
- 236.9 (7) a high-voltage transmission line rerouting to serve the demand of a single customer
- 236.10 when the rerouted line will be located at least 80 percent on property owned or controlled
- 236.11 by the customer or the owner of the transmission line; and
- 236.12 (8) large electric power generating plants that are powered by solar energy.
- 236.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and
- 236.14 applies to a high-voltage transmission line in excess of 200 kilovolts whose owner has filed
- 236.15 an application for a route permit with the Public Utilities Commission on or after that date.
- 236.16 Sec. 17. **REPEALER.**
- 236.17 Minnesota Statutes 2020, section 216B.16, subdivision 10, is repealed.
- 236.18 **ARTICLE 21**
- 236.19 **ENERGY STORAGE**
- 236.20 Section 1. Minnesota Statutes 2020, section 216B.1611, is amended by adding a subdivision
- 236.21 to read:
- 236.22 Subd. 5. **Energy storage; capacity; treatment.** This subdivision applies to a public
- 236.23 utility, as defined in section 216B.02, subdivision 4. For the purpose of interconnecting a
- 236.24 distributed generation facility that operates in conjunction with an energy storage system,
- 236.25 as defined in section 216B.2422, subdivision 1, paragraph (f), the system capacity must be
- 236.26 calculated as the alternating current capacity of the distributed generation facility alone,
- 236.27 provided that the energy storage system is connected to the distributed generating facility:
- 236.28 (1) by direct current; or
- 236.29 (2) by alternating current and is configured to limit the maximum export of electricity
- 236.30 beyond the common point of coupling with the utility to an amount no greater than the
- 236.31 capacity of the distributed generation facility.
- 237.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

237.2 Sec. 2. **[216B.1616] VALUE OF ON-SITE ENERGY STORAGE.**

237.3 No later than September 15, 2022, the commission must initiate a docket designed to
237.4 determine fair compensation paid to customer-owners of on-site energy storage systems,
237.5 as defined in section 216B.2422, subdivision 1, paragraph (f), for voluntarily discharging
237.6 stored energy and capacity during periods of peak electricity demand or at other times as
237.7 dispatched or requested by a public utility, as defined in section 216B.02, subdivision 4.

237.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

237.9 Sec. 3. Minnesota Statutes 2020, section 216B.2422, subdivision 7, is amended to read:

237.10 Subd. 7. **Energy storage systems assessment.** (a) Each public utility required to file a
237.11 resource plan under subdivision 2 must include in the filing an assessment of energy storage
237.12 systems that analyzes how the deployment of energy storage systems contributes to:

237.13 (1) meeting identified generation and capacity needs; and

237.14 (2) evaluating ancillary services.

237.15 (b) The assessment must:

237.16 (1) employ appropriate modeling methods to enable the analysis required in paragraph
237.17 (a); and

237.18 (2) address how energy storage systems may contribute to achieving the goals under
237.19 subdivision 4, clause (1).

237.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

237.21 Sec. 4. Minnesota Statutes 2020, section 216B.2425, subdivision 8, is amended to read:

237.22 Subd. 8. **Distribution study for distributed generation.** Each entity subject to this
237.23 section that is operating under a multiyear rate plan approved under section 216B.16,
237.24 subdivision 19, shall conduct a distribution study to identify interconnection points on its
237.25 distribution system for small-scale distributed generation resources and shall identify
237.26 necessary distribution upgrades, including the deployment of energy storage systems, as
237.27 defined in section 216B.2422, subdivision 1, paragraph (f), to support the continued
237.28 development of distributed generation resources, and shall include the study in its report
237.29 required under subdivision 2.

237.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

238.1 Sec. 5. **[216C.378] STORAGE REWARDS INCENTIVE PROGRAM.**

238.2 (a) The electric utility subject to section 116C.779 must develop and operate a program
238.3 to provide a lump-sum grant to customers to reduce the cost of purchasing and installing
238.4 an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph
238.5 (f). The utility subject to this section must file a plan with the commissioner to operate the
238.6 program no later than October 1, 2022. The utility may not operate the program until the

- 238.7 program is approved by the commissioner. Any change to an operating program must be
 238.8 approved by the commissioner.
- 238.9 (b) To be eligible to receive a grant under this section, an energy storage system must:
- 238.10 (1) have a capacity no greater than 50 kilowatt hours; and
- 238.11 (2) be located within the electric service area of the utility subject to this section.
- 238.12 (c) An owner of an energy storage system is eligible to receive a grant under this section
 238.13 if:
- 238.14 (1) a solar energy generating system is operating at the same site as the proposed energy
 238.15 storage system; or
- 238.16 (2) the owner has filed an application with the utility subject to this section to interconnect
 238.17 a solar energy generating system at the same site as the proposed energy storage system.
- 238.18 (d) The commissioner must annually review and may adjust the amount of grants awarded
 238.19 under this section, but must not increase the amount over that awarded in previous years
 238.20 unless the commissioner demonstrates in writing that an upward adjustment is warranted
 238.21 by market conditions.
- 238.22 (e) A customer who receives a grant under this section is eligible to receive financial
 238.23 assistance under programs operated by the state or the utility for the solar energy generating
 238.24 system operating in conjunction with the energy storage system.
- 238.25 (f) For the purposes of this section, "solar energy generating system" has the meaning
 238.26 given in section 216E.01, subdivision 9a.
- 238.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

239.1

ARTICLE 22

239.2

RENEWABLE ENERGY

239.3

Section 1. Minnesota Statutes 2020, section 16B.32, subdivision 1, is amended to read:

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Subdivision 1. **Alternative energy sources.** ~~Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible.~~ (a) If incorporating cost-effective energy efficiency measures into the design, materials, and operations of a building or major building renovation subject to section 16B.325 is not sufficient to meet Sustainable Building 2030 energy performance standards required under section 216B.241, subdivision 9, cost-effective renewable energy sources or solar thermal energy systems, or both, must be deployed to achieve the standards.

(b) The commissioners of administration and commerce must review compliance of building designs and plans subject to this section with Sustainable Building 2030 performance

239.15 standards developed under section 216B.241, subdivision 9, and must make recommendations
239.16 to the legislature as necessary to ensure that the performance standards are met.

239.17 (c) For the purposes of this section:

239.18 (1) "energy efficiency" has the meaning given in section 216B.241, subdivision 1,
239.19 paragraph (f);

239.20 (2) "renewable energy" has the meaning given in section 216B.242, subdivision 1,
239.21 paragraph (c), and includes hydrogen generated from wind, solar, or hydroelectric; and

239.22 (3) "solar thermal energy systems" has the meaning given to "qualifying solar thermal
239.23 project" in section 216B.241, subdivision 2, paragraph (e).

239.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

239.25 Sec. 2. Minnesota Statutes 2020, section 16B.32, subdivision 1a, is amended to read:

239.26 Subd. 1a. **Onsite energy generation from renewable sources.** ~~A state agency that
239.27 prepares a predesign for a new building must consider meeting at least two percent of the
239.28 energy needs of the building from renewable sources located on the building site. For
239.29 purposes of this subdivision, "renewable sources" are limited to wind and the sun. The
239.30 predesign must include an explicit cost and price analysis of complying with the two percent
239.31 requirement compared with the present and future costs of energy supplied by a public
239.32 utility from a location away from the building site and the present and future costs of
240.1 controlling carbon emissions. If the analysis concludes that the building should not meet at
240.2 least two percent of its energy needs from renewable sources located on the building site,
240.3 the analysis must provide explicit reasons why not. The building may not receive further
240.4 state appropriations for design or construction unless at least two percent of its energy needs
240.5 are designed to be met from renewable sources, unless the commissioner finds that the
240.6 reasons given by the agency for not meeting the two percent requirement were supported
240.7 by evidence in the record. The total aggregate nameplate capacity of all renewable energy
240.8 sources utilized to meet Sustainable Building 2030 standards in a state-owned building or
240.9 facility, including any subscription to a community solar garden under section 216B.1641,
240.10 must not exceed 120 percent of the state-owned building's or facility's average annual electric
240.11 energy consumption.~~

240.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

240.13 Sec. 3. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

240.14 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

240.15 (a) The utility subject to section 116C.779 shall operate a program to provide solar
240.16 energy production incentives for solar energy systems of no more than a total aggregate
240.17 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar
240.18 energy system installed before June 1, 2018, is eligible to receive a production incentive
240.19 under this section for any additional solar energy systems constructed at the same customer

6.15 Sec. 2. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

6.16 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

6.17 (a) The utility subject to section 116C.779 shall operate a program to provide solar
6.18 energy production incentives for solar energy systems of no more than a total aggregate
6.19 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar
6.20 energy system installed before June 1, 2018, is eligible to receive a production incentive
6.21 under this section for any additional solar energy systems constructed at the same customer

6.22 location, provided that the aggregate capacity of all systems at the customer location does
6.23 not exceed 40 kilowatts.

6.24 (b) The program is funded by money withheld from transfer to the renewable development
6.25 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must
6.26 be placed in a separate account for the purpose of the solar energy production incentive
6.27 program operated by the utility and not for any other program or purpose.

6.28 (c) Funds allocated to the solar energy production incentive program in 2019 and 2020
6.29 remain available to the solar energy production incentive program.

6.30 (d) The following amounts are allocated to the solar energy production incentive program:
6.31 (1) \$10,000,000 in 2021;
6.32 (2) \$10,000,000 in 2022;
7.1 (3) ~~\$5,000,000~~ \$10,000,000 in 2023; ~~and~~
7.2 (4) ~~\$5,000,000~~ \$10,000,000 in 2024; and
7.3 (5) \$10,000,000 in 2025.

7.4 (e) Funds allocated to the solar energy production incentive program that have not been
7.5 committed to a specific project at the end of a program year remain available to the solar
7.6 energy production incentive program.

7.7 (f) Any unspent amount remaining on January 1, ~~2025~~ 2026, must be transferred to the
7.8 renewable development account.

7.9 (g) A solar energy system receiving a production incentive under this section must be
7.10 sized to less than 120 percent of the customer's on-site annual energy consumption when
7.11 combined with other distributed generation resources and subscriptions provided under
7.12 section 216B.1641 associated with the premise. The production incentive must be paid for
7.13 ten years commencing with the commissioning of the system.

7.14 (h) The utility must file a plan to operate the program with the commissioner of
7.15 commerce. The utility may not operate the program until it is approved by the commissioner.
7.16 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or
7.17 less does not require the utility to file a plan with the commissioner. Any plan approved by
7.18 the commissioner of commerce must not provide an increased incentive scale over prior
7.19 years unless the commissioner demonstrates that changes in the market for solar energy
7.20 facilities require an increase.

7.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

240.20 location, provided that the aggregate capacity of all systems at the customer location does
240.21 not exceed 40 kilowatts.

240.22 (b) The program is funded by money withheld from transfer to the renewable development
240.23 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must
240.24 be placed in a separate account for the purpose of the solar energy production incentive
240.25 program operated by the utility and not for any other program or purpose.

240.26 (c) Funds allocated to the solar energy production incentive program in 2019 and 2020
240.27 remain available to the solar energy production incentive program.

240.28 (d) The following amounts are allocated to the solar energy production incentive program:
240.29 (1) \$10,000,000 in 2021;
240.30 (2) \$10,000,000 in 2022;
240.31 (3) ~~\$5,000,000~~ \$10,000,000 in 2023; ~~and~~
240.32 (4) ~~\$5,000,000~~ \$10,000,000 in 2024; and
241.1 (5) \$10,000,000 in 2025.

241.2 (e) Funds allocated to the solar energy production incentive program that have not been
241.3 committed to a specific project at the end of a program year remain available to the solar
241.4 energy production incentive program.

241.5 (f) Any unspent amount remaining on January 1, ~~2025~~ 2027, must be transferred to the
241.6 renewable development account.

241.7 (g) A solar energy system receiving a production incentive under this section must be
241.8 sized to less than 120 percent of the customer's on-site annual energy consumption when
241.9 combined with other distributed generation resources and subscriptions provided under
241.10 section 216B.1641 associated with the premise. The production incentive must be paid for
241.11 ten years commencing with the commissioning of the system.

241.12 (h) The utility must file a plan to operate the program with the commissioner of
241.13 commerce. The utility may not operate the program until it is approved by the commissioner.
241.14 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or
241.15 less does not require the utility to file a plan with the commissioner. Any plan approved by
241.16 the commissioner of commerce must not provide an increased incentive scale over prior
241.17 years unless the commissioner demonstrates that changes in the market for solar energy
241.18 facilities require an increase.

241.19 (i) Contractors and subcontractors installing a solar energy generating system awarded
241.20 financial assistance under this section must comply with sections 177.41 to 177.43 with
241.21 respect to the installation.

241.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

199.15 (g) \$5,000,000 in fiscal year 2023 is to be
 199.16 withheld by the public utility subject to
 199.17 Minnesota Statutes, section 116C.779, from
 199.18 deposit in the renewable development account,
 199.19 as provided in Minnesota Statutes, section
 199.20 116C.7792, for a financial incentive to install
 199.21 solar energy generating systems under
 199.22 Minnesota Statutes, section 116C.7792. The
 199.23 amount to be withheld for this purpose in
 199.24 fiscal year 2024 is \$5,000,000 and in fiscal
 199.25 year 2025 is \$10,000,000.

241.23 Sec. 4. **[116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

241.24 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
 241.25 the meanings given.

241.26 (b) "Agency" means the Pollution Control Agency.

241.27 (c) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that
 241.28 served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

241.29 (d) "Corrective action determination" means a decision by the agency regarding actions
 241.30 to be taken to remediate contaminated soil and groundwater at Area C.

241.31 (e) "Owner" means the owner of a solar energy generating system planned to be deployed
 241.32 at Area C.

242.1 (f) "Solar energy generating system" has the meaning given in section 216E.01,
 242.2 subdivision 9a.

242.3 Subd. 2. **Account established.** The Area C contingency account is established as a
 242.4 separate account in the special revenue fund in the state treasury. Transfers and appropriations
 242.5 to the account, and any earnings or dividends accruing to assets in the account, must be
 242.6 credited to the account. The commissioner must serve as fiscal agent and must manage the
 242.7 account.

242.8 Subd. 3. **Distribution of funds; conditions.** Money from the account may be distributed
 242.9 by the commissioner to the owner of a solar energy generating system planned to be deployed
 242.10 on Area C under the following conditions:

242.11 (1) the agency issues a corrective action determination after the owner has begun to
 242.12 design or construct the project, and the nature of the corrective action determination requires
 242.13 the project to be redesigned or construction to be interrupted or altered; or

- 242.14 (2) the agency issues a corrective action determination whose work plan requires
 242.15 temporary cessation or partial or complete removal of the solar energy generating system
 242.16 after the solar energy generating system has become operational.
- 242.17 Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution
 242.18 of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing
 242.19 must describe (1) the nature of the impact of the agency's work plan that results in economic
 242.20 losses to the owner, and (2) a reasonable estimate of the amount of the economic losses.
- 242.21 (b) The owner must provide the commissioner with information the commissioner
 242.22 determines to be necessary to assist in reviewing the filing required under this subdivision.
- 242.23 (c) The commissioner must review the owner's filing within 60 days of submission and
 242.24 must approve a request the commissioner determines is reasonable.
- 242.25 Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this
 242.26 section may be used by the owner only to pay for:
- 242.27 (1) removal, storage, and transportation costs incurred for equipment removed, and any
 242.28 costs to reinstall equipment;
- 242.29 (2) costs of redesign or new equipment made necessary by the activities under the
 242.30 agency's work plan;
- 243.1 (3) lost revenues resulting from the inability of the solar energy generating system to
 243.2 generate sufficient electricity to fulfill the terms of the power purchase agreement between
 243.3 the owner and the purchaser of electricity generated by the solar energy generating system;
- 243.4 (4) other damages incurred under the power purchase agreement resulting from the
 243.5 cessation of operations made necessary by the activities of the agency's work plan; and
- 243.6 (5) the cost of energy required to replace the energy that would have been generated by
 243.7 the solar energy generating system and purchased under the power purchase agreement.
- 243.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.27 Sec. 6. Minnesota Statutes 2020, section 216B.24, is amended by adding a subdivision to
 8.28 read:

8.29 Subd. 1a. **Wind or solar electric generating facilities.** Any person proposing
 8.30 construction of a major utility facility that is a wind or solar electric generating facility
 8.31 designed for or capable of operation at a capacity of 50 megawatts or more must, in addition
 8.32 to any approvals required under this chapter, obtain approval from the governing board of
 9.1 and pursuant to the land use ordinance of the county in which the proposed wind or solar
 9.2 electric generating facility will be located.

9.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

243.9 Sec. 5. Minnesota Statutes 2020, section 216B.1641, is amended to read:

243.10 **216B.1641 COMMUNITY SOLAR GARDEN.**

243.11 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
243.12 the meanings given.

243.13 (b) "Subscribed energy" means electricity generated by the community solar garden that
243.14 is attributable to a subscriber's subscription.

243.15 (c) "Subscriber" means a retail customer who owns one or more subscriptions of a
243.16 community solar garden interconnected with the retail customer's utility.

243.17 (d) "Subscription" means a contract between a subscriber and the owner of a solar garden.

243.18 Subd. 2. Solar garden; project requirements. (a) The public utility subject to section
243.19 116C.779 shall file by September 30, 2013, a plan with the commission to operate a
243.20 community solar garden program which shall begin operations within 90 days after
243.21 commission approval of the plan. Other public utilities may file an application at their
243.22 election. The community solar garden program must be designed to offset the energy use
243.23 of not less than five subscribers in each community solar garden facility of which no single
243.24 subscriber has more than a 40 percent interest. The owner of the community solar garden
243.25 may be a public utility or any other entity or organization that contracts to sell the output
243.26 from the community solar garden to the utility under section 216B.164. There shall be no
243.27 limitation on the number or cumulative generating capacity of community solar garden
243.28 facilities other than the limitations imposed under section 216B.164, subdivision 4c, or
243.29 other limitations provided in law or regulations.

243.30 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
243.31 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the
243.32 electricity generated in proportion to the size of their subscription. The solar garden must
244.1 have a nameplate capacity of no more than ~~one megawatt~~ three megawatts. Each subscription
244.2 shall be sized to represent at least 200 watts of the community solar garden's generating
244.3 capacity and to supply, when combined with other distributed generation resources serving
244.4 the premises, no more than 120 percent of the average annual consumption of electricity
244.5 by each subscriber at the premises to which the subscription is attributed.

244.6 (c) The solar generation facility must be located in the service territory of the public
244.7 utility filing the plan. Subscribers must be retail customers of the public utility and, unless
244.8 the facility has a minimum setback of 100 feet from the nearest residential property, must
244.9 be located in the same county or a county contiguous to where the facility is located.

244.10 (d) The public utility must purchase from the community solar garden all energy generated
244.11 by the solar garden. Unless specified elsewhere in this section, the purchase shall be at the
244.12 most recent three-year average of the rate calculated under section 216B.164, subdivision
244.13 10, or, until that rate for the public utility has been approved by the commission, the
244.14 applicable retail rate. A solar garden is eligible for any incentive programs offered under

- 244.15 section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on
244.16 the subscriber's bill.
- 244.17 **Subd. 3. Solar garden plan; requirements; nonutility status.** ~~(a)~~ (a) The commission
244.18 may approve, disapprove, or modify a community solar garden ~~program plan~~. Any plan
244.19 approved by the commission must:
- 244.20 (1) reasonably allow for the creation, financing, and accessibility of community solar
244.21 gardens;
- 244.22 (2) establish uniform standards, fees, and processes for the interconnection of community
244.23 solar garden facilities that allow the utility to recover reasonable interconnection costs for
244.24 each community solar garden;
- 244.25 (3) not apply different requirements to utility and nonutility community solar garden
244.26 facilities;
- 244.27 (4) be consistent with the public interest;
- 244.28 (5) identify the information that must be provided to potential subscribers to ensure fair
244.29 disclosure of future costs and benefits of subscriptions;
- 244.30 (6) include a program implementation schedule;
- 244.31 (7) identify all proposed rules, fees, and charges; ~~and~~
- 244.32 (8) identify the means by which the program will be promoted-;
- 245.1 (9) require that residential subscribers have a right to cancel a community solar garden
245.2 subscription within three business days, as provided under section 325G.07;
- 245.3 (10) require that the following information is provided by the solar garden owner in
245.4 writing to any prospective subscriber asked to make a prepayment to the solar garden owner
245.5 prior to the delivery of subscribed energy by the solar garden:
- 245.6 (i) an estimate of the annual generation of subscribed energy, based on the methodology
245.7 approved by the commission; and
- 245.8 (ii) an estimate of the length of time required to fully recover a subscriber's prepayments
245.9 made to the owner of the solar garden prior to the delivery of subscribed energy, calculated
245.10 using the formula developed by the commission under paragraph (d); and
- 245.11 (11) require new residential subscription agreements that require a prepayment to allow
245.12 the subscriber to, on commercially reasonable terms, (i) transfer the subscription to other
245.13 new or current subscribers, or (ii) cancel the subscription; and
- 245.14 (12) require an owner of a solar garden to submit a report that meets the requirements
245.15 of section 216C.51, subdivisions 3 and 4, each year the solar garden is in operation.

- 245.16 ~~(b)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a
 245.17 community solar garden facility shall be considered a utility solely as a result of their
 245.18 participation in the community solar garden facility.
- 245.19 ~~(c)~~ (c) Within 180 days of commission approval of a plan under this section, a utility
 245.20 shall begin crediting subscriber accounts for each community solar garden facility in its
 245.21 service territory, and shall file with the commissioner of commerce a description of its
 245.22 crediting system.
- 245.23 ~~(h) For the purposes of this section, the following terms have the meanings given:~~
- 245.24 ~~(1) "subscriber" means a retail customer of a utility who owns one or more subscriptions~~
 245.25 ~~of a community solar garden facility interconnected with that utility; and~~
- 245.26 ~~(2) "subscription" means a contract between a subscriber and the owner of a solar garden.~~
- 245.27 **Subd. 4. Community access project; eligibility.** (a) An owner of a community solar
 245.28 garden may apply to the utility to be designated as a community access project at any time:
- 245.29 (1) before the owner makes an initial payment under an interconnection agreement
 245.30 entered into with a public utility; or
- 245.31 (2) if the owner made an initial payment under an interconnection agreement between
 245.32 January 1, 2021, and the effective date of this act, before commercial operation begins.
- 246.1 (b) The utility must designate a solar garden as a community access project if the owner
 246.2 of a solar garden commits in writing to meet the following conditions:
- 246.3 (1) at least 50 percent of the solar garden's generating capacity is subscribed by residential
 246.4 customers;
- 246.5 (2) the contract between the owner of the solar garden and the public utility that purchases
 246.6 the garden's electricity, and any agreement between the utility or owner of the solar garden
 246.7 and subscribers, states that the owner of the solar garden does not discriminate against or
 246.8 screen subscribers based on income or credit score and that any customer of a utility with
 246.9 a community solar garden plan approved by the commission under subdivision 3 is eligible
 246.10 to become a subscriber;
- 246.11 (3) the solar garden is operated by an entity that maintains a physical address in Minnesota
 246.12 and has designated a contact person in Minnesota who responds to subscriber inquiries; and
- 246.13 (4) the agreement between the owner of the solar garden and subscribers states that the
 246.14 owner must adequately publicize and convene at least one meeting annually to provide an
 246.15 opportunity for subscribers to pose questions to the manager or owner.
- 246.16 **Subd. 5. Community access project; financial arrangements.** (a) If a solar garden is
 246.17 approved by the utility as a community access project:

- 246.18 (1) the public utility purchasing the electricity generated by the community access project
246.19 may charge the owner of the community access project no more than one cent per watt
246.20 alternating current based on the solar garden's generating capacity for any refundable deposit
246.21 the utility requires of a solar garden during the application process;
- 246.22 (2) notwithstanding subdivision 2, paragraph (d), the public utility must purchase all
246.23 energy generated by the community access project at the retail rate; and
- 246.24 (3) all renewable energy credits generated by the community access project belong to
246.25 subscribers unless the owner of the solar garden:
- 246.26 (i) contracts to:
- 246.27 (A) sell the credits to a third party; or
- 246.28 (B) sell or transfer the credits to the utility; and
- 246.29 (ii) discloses a sale or transfer to subscribers at the time the subscribers enter into a
246.30 subscription.
- 246.31 (b) If at any time after commercial operation begins a solar garden approved by the
246.32 utility as a community access project fails to meet the conditions under subdivision 4, the
247.1 solar garden (1) is no longer subject to the provisions of this subdivision and subdivision
247.2 6, and (2) must operate under the program rules established by the commission for a solar
247.3 garden that does not qualify as a community access project.
- 247.4 (c) An owner of a solar garden whose designation as a community access project is
247.5 revoked under this subdivision may reapply to the commission at any time to have the
247.6 designation as a community access project reinstated under subdivision 4.
- 247.7 Subd. 6. **Community access project; reporting.** The owner of a community access
247.8 project must include the following information in an annual report to the community access
247.9 project subscribers and the utility:
- 247.10 (1) a description of the process by which subscribers can provide input to solar garden
247.11 policy and decision making;
- 247.12 (2) the amount of revenues received by the solar garden in the previous year that were
247.13 allocated to categories that include but are not limited to operating costs, debt service, profits
247.14 distributed to subscribers, and profits distributed to others; and
- 247.15 (3) an estimate of the proportion of low- and moderate-income subscribers, and a
247.16 description of one or more of the following methods used to make the estimate:
- 247.17 (i) evidence provided by a subscriber that the subscriber or a member of the subscriber's
247.18 household receives assistance from any of the following sources:
- 247.19 (A) the federal Low-Income Home Energy Assistance Program;

- 247.20 (B) federal Section 8 housing assistance;
- 247.21 (C) medical assistance;
- 247.22 (D) the federal Supplemental Nutrition Assistance Program; or
- 247.23 (E) the federal National School Lunch Program;
- 247.24 (ii) characterization of the census tract where the subscriber resides as low- or
- 247.25 moderate-income by the Federal Financial Institutions Examination Council; or
- 247.26 (iii) other methods approved by the commission.
- 247.27 Subd. 7. **Commission order.** Within 180 days of the effective date of this section, the
- 247.28 commission must issue an order addressing the requirements of this section.
- 247.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 248.1 Sec. 6. Minnesota Statutes 2020, section 216B.243, subdivision 8, is amended to read:
- 248.2 Subd. 8. **Exemptions.** (a) This section does not apply to:
- 248.3 (1) cogeneration or small power production facilities as defined in the Federal Power
- 248.4 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
- 248.5 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
- 248.6 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
- 248.7 any case where the commission has determined after being advised by the attorney general
- 248.8 that its application has been preempted by federal law;
- 248.9 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve
- 248.10 the demand of a single customer at a single location, unless the applicant opts to request
- 248.11 that the commission determine need under this section or section 216B.2425;
- 248.12 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand
- 248.13 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to
- 248.14 request that the commission determine need under this section or section 216B.2425;
- 248.15 (4) a high-voltage transmission line of one mile or less required to connect a new or
- 248.16 upgraded substation to an existing, new, or upgraded high-voltage transmission line;
- 248.17 (5) conversion of the fuel source of an existing electric generating plant to using natural
- 248.18 gas;
- 248.19 (6) the modification of an existing electric generating plant to increase efficiency, as
- 248.20 long as the capacity of the plant is not increased more than ten percent or more than 100
- 248.21 megawatts, whichever is greater;
- 248.22 (7) a large wind energy conversion system, as defined in section 216F.01, subdivision
- 248.23 2, or a solar electric generation facility energy generating system, as defined in section

- 248.24 216E.01, subdivision 9a, if the system or facility is owned and operated by an independent
 248.25 power producer and the electric output of the system or facility;
- 248.26 (i) is not sold to an entity that provides retail service in Minnesota or wholesale electric
 248.27 service to another entity in Minnesota other than an entity that is a federally recognized
 248.28 regional transmission organization or independent system operator; or
- 248.29 (ii) is sold to an entity that provides retail service in Minnesota or wholesale electric
 248.30 service to another entity in Minnesota other than an entity that is a federally recognized
 248.31 regional transmission organization or independent system operator, provided that the system
 248.32 represents solar or wind capacity that the entity purchasing the system's electric output was
 249.1 ordered by the commission to develop in the entity's most recent integrated resource plan
 249.2 approved under section 216B.2422; or
- 249.3 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
 249.4 2, or a solar energy generating system that is a large energy facility, as defined in section
 249.5 216B.2421, subdivision 2, engaging in a repowering project that:
- 249.6 (i) will not result in the ~~facility system~~ exceeding the nameplate capacity under its most
 249.7 recent interconnection agreement; or
- 249.8 (ii) will result in the ~~facility system~~ exceeding the nameplate capacity under its most
 249.9 recent interconnection agreement, provided that the Midcontinent Independent System
 249.10 Operator has provided a signed generator interconnection agreement that reflects the expected
 249.11 net power increase.
- 249.12 (b) For the purpose of this subdivision, "repowering project" means:
- 249.13 (1) modifying a large wind energy conversion system or a solar energy generating system
 249.14 that is a large energy facility to increase its efficiency without increasing its nameplate
 249.15 capacity;
- 249.16 (2) replacing turbines in a large wind energy conversion system without increasing the
 249.17 nameplate capacity of the system; or
- 249.18 (3) increasing the nameplate capacity of a large wind energy conversion system.
- 249.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 249.20 applies to a large wind energy conversion system or a solar energy generating system whose
 249.21 owner has filed an application for a certificate of need with the Public Utilities Commission
 249.22 on or after that date.
- 249.23 Sec. 7. Minnesota Statutes 2021 Supplement, section 216C.375, subdivision 1, is amended
 249.24 to read:
- 249.25 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376,
 249.26 the following terms have the meanings given them.

26.9 Sec. 18. Minnesota Statutes 2021 Supplement, section 216C.376, subdivision 5, is amended
26.10 to read:

26.11 Subd. 5. **Program funding.** (a) In 2022, the public utility subject to section 116C.779
26.12 must withhold \$8,000,000 from the transfer made under section 116C.779, subdivision 1,
26.13 paragraph (e), to pay for assistance provided by the program under this section. In 2024,
26.14 the amount that must be withheld is \$8,000,000. The money withheld under this paragraph
26.15 must be used to pay for financial assistance awarded under this section and the costs to
26.16 administer this section. Any money that remains unexpended ~~on June 30, 2027, five years~~
26.17 after the money is withheld cancels to the renewable development account.

26.18 (b) The renewable energy credits associated with the electricity generated by a solar
26.19 energy system installed under this section are the property of the public utility that is subject
26.20 to this section for the life of the system, regardless of the duration of the financial assistance
26.21 provided by the public utility under this section.

249.27 (b) "Developer" means an entity that installs a solar energy system on a school building
249.28 that has been awarded a grant under this section.

249.29 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

250.1 (d) "School" means: (1) a school that operates as part of an independent or special school
250.2 district; ~~(2) a Tribal contract school;~~ or ~~(2)~~ (3) a state college or university that is under the
250.3 jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

250.4 (e) "School district" means an independent or special school district.

250.5 (f) "Solar energy system" means photovoltaic or solar thermal devices.

250.6 (g) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section
250.7 216B.2411, subdivision 2, paragraph (d).

250.8 (h) "State colleges and universities" has the meaning given in section 136F.01, subdivision
250.9 4.

250.10 Sec. 8. [216C.377] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.

250.11 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
250.12 the meanings given.

250.13 (b) "Developer" means an entity that applies for a grant on behalf of a public building
250.14 under this section to install a solar energy generating system on the public building.

250.15 (c) "Local unit of government" means a county, statutory or home rule charter city, town,
250.16 or other local government jurisdiction, excluding a school district eligible to receive financial
250.17 assistance under section 216C.375 or 216C.376.

- 250.18 (d) "Municipal electric utility" means a utility that provides electric service to retail
250.19 customers in Minnesota and is governed by a city council or a local utilities commission.
- 250.20 (e) "Public building" means a building owned and operated by a local unit of government.
- 250.21 (f) "Solar energy generating system" has the meaning given in section 216E.01,
250.22 subdivision 9a.
- 250.23 (g) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that
250.24 provides electric service, or a municipal electric utility.
- 250.25 Subd. 2. **Establishment; purpose.** A solar on public buildings grant program is
250.26 established in the Department of Commerce. The purpose of the program is to provide grants
250.27 to stimulate the installation of solar energy generating systems on public buildings.
- 250.28 Subd. 3. **Establishment of account.** A solar on public buildings grant program account
250.29 is established in the special revenue fund. Money received from the general fund and the
250.30 renewable development account established in section 116C.779, subdivision 1, must be
250.31 transferred to the commissioner of commerce and credited to the account. Earnings, including
251.1 interest, dividends, and any other earnings arising from the assets of the account, must be
251.2 credited to the account. Earnings remaining in the account at the end of a fiscal year do not
251.3 cancel to the general fund or renewable development account but remain in the account
251.4 until expended. The commissioner must manage the account.
- 251.5 Subd. 4. **Expenditures.** Money in the account must be used only:
- 251.6 (1) for grant awards made under this section; and
- 251.7 (2) to pay the reasonable costs incurred by the department to administer this section.
- 251.8 Subd. 5. **Eligible applicants.** Only a local unit of government or a municipal electric
251.9 utility may apply for or be awarded a grant under this section.
- 251.10 Subd. 6. **Eligible system.** (a) A grant may be awarded under this section only if the solar
251.11 energy system that is the subject of the grant:
- 251.12 (1) is installed on or adjacent to a public building that consumes the electricity generated
251.13 by the solar energy generating system, on property within the service territory of the utility
251.14 currently providing electric service to the public building; and
- 251.15 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
251.16 average annual electricity consumption of the public building, measured over the most
251.17 recent three calendar years, at which the solar energy generating system is installed.
- 251.18 (b) A public building that receives a rebate or other financial incentive under section
251.19 216B.241 for a solar energy system is eligible for a grant under this section for the same
251.20 solar energy generating system.

251.21 (c) Before filing an application for a grant under this section, a local unit of government
 251.22 or public building that is served by a municipal electric utility must inform the municipal
 251.23 electric utility of the local unit of government's or public building's intention to do so. A
 251.24 municipal electric utility may, under an agreement with a local unit of government, own
 251.25 and operate a solar energy generating system awarded a grant under this section on behalf
 251.26 of and for the benefit of the local unit of government.

251.27 Subd. 7. **Application process.** (a) The commissioner must issue a request for proposals
 251.28 to utilities, local units of government, and developers who may wish to apply for a grant
 251.29 under this section on behalf of a public building.

251.30 (b) A utility or developer must submit an application to the commissioner on behalf of
 251.31 a public building on a form prescribed by the commissioner. The form must include, at a
 251.32 minimum, the following information:

252.1 (1) the capacity of the proposed solar energy system and the amount of electricity that
 252.2 is expected to be generated;

252.3 (2) the current energy demand of the public building on which the solar energy generating
 252.4 system is to be installed, information regarding any distributed energy resource that currently
 252.5 provides electricity to the public building, and the size of the public building's subscription
 252.6 to a community solar garden, if applicable;

252.7 (3) information sufficient to estimate the energy and monetary savings that are projected
 252.8 to result from installation of the solar energy generating system over the system's useful
 252.9 life;

252.10 (4) the total cost to purchase and install the solar energy system and the solar energy
 252.11 system's lifecycle cost, including removal and disposal at the end of the system's life; and

252.12 (5) a copy of the proposed contract agreement between the local unit of government and
 252.13 the public utility or developer that includes provisions addressing the responsibility to
 252.14 maintain, remove, and dispose of the solar energy system.

252.15 (c) The commissioner must administer an open application process under this section
 252.16 at least twice annually.

252.17 (d) The commissioner must develop administrative procedures governing the application
 252.18 and grant award process under this section.

252.19 Subd. 8. **Energy conservation review.** At the commissioner's request, a local unit of
 252.20 government awarded a grant under this section must provide the commissioner with
 252.21 information regarding energy conservation measures implemented at the public building at
 252.22 which the solar energy generating system is to be installed. The commissioner may make
 252.23 recommendations to the local unit of government regarding cost-effective conservation
 252.24 measures the local unit of government can implement and may provide technical assistance
 252.25 and direct the local unit of government to available financial assistance programs.

- 252.26 Subd. 9. **Technical assistance.** The commissioner must provide technical assistance to
252.27 local units of government to develop and execute projects under this section.
- 252.28 Subd. 10. **Grant payments.** A grant awarded under this section must be used only to
252.29 pay the necessary and reasonable costs associated with purchasing and installing a solar
252.30 energy system.
- 252.31 Subd. 11. **Installation.** Contractors and subcontractors installing a solar energy generating
252.32 system funded by a grant awarded under this section must comply with sections 177.41 to
252.33 177.43 with respect to the installation.
- 253.1 Subd. 12. **Reporting.** Beginning January 15, 2023, and each year thereafter until January
253.2 15, 2026, the commissioner must report to the chairs and ranking minority members of the
253.3 legislative committees with jurisdiction over energy finance and policy regarding (1) grants
253.4 and amounts awarded to local units of government under this section during the previous
253.5 year, and (2) any remaining balance available in the account established under this section.
- 253.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 253.7 Sec. 9. Minnesota Statutes 2020, section 216E.01, subdivision 9a, is amended to read:
- 253.8 Subd. 9a. **Solar energy generating system.** "Solar energy generating system" means a
253.9 set of devices whose primary purpose is to produce electricity by means of any combination
253.10 of collecting, transferring, or converting solar-generated energy, and may include
253.11 transmission lines designed for and capable of operating at 100 kilovolts or less that
253.12 interconnect a solar energy generating system with a high-voltage transmission line.
- 253.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 253.14 Sec. 10. Minnesota Statutes 2020, section 216E.03, subdivision 5, is amended to read:
- 253.15 Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce
253.16 shall prepare for the commission an environmental impact statement on each proposed large
253.17 electric power generating plant or high-voltage transmission line for which a complete
253.18 application has been submitted. The commissioner shall not consider whether or not the
253.19 project is needed. No other state environmental review documents shall be required. The
253.20 commissioner shall study and evaluate any site or route proposed by an applicant and any
253.21 other site, other than a site for a solar energy generating system, or route the commission
253.22 deems necessary that was proposed in a manner consistent with rules concerning the form,
253.23 content, and timeliness of proposals for alternate sites or routes.
- 253.24 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a
253.25 large electric power generating plant and is not proposed by a utility, the commissioner
253.26 must make a finding in the environmental impact statement whether the project is likely to
253.27 result in a net reduction of carbon dioxide emissions, considering both the utility providing
253.28 electric service to the proposed cogeneration facility and any reduction in carbon dioxide
253.29 emissions as a result of increased efficiency from the production of thermal energy on the
253.30 part of the customer operating or owning the proposed cogeneration facility.

28.29 Sec. 24. **[465.485] BAN ON ENERGY HOOKUPS; PROHIBITION.**

28.30 A political subdivision is prohibited from adopting an ordinance, resolution, code, policy,
 28.31 or permit requirement that prohibits or has the effect of preventing a utility from (1)
 29.1 connecting or reconnecting a solar energy system, wind energy system, geothermal system,
 29.2 hydroelectric system, biomass-derived fuels, green hydrogen, electric vehicle charging
 29.3 equipment, energy storage systems, natural gas, or propane to any building, or (2) supplying
 29.4 a solar energy system, wind energy system, geothermal system, hydroelectric system,
 29.5 biomass-derived fuels, green hydrogen, electric vehicle charging equipment, energy storage
 29.6 systems, natural gas, or propane to any building or utility customer.

29.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

253.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

254.1 Sec. 11. **[500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY**
 254.2 **SYSTEMS PROHIBITED.**

254.3 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

254.4 (b) "Private entity" means a homeowners association, community association, or other
 254.5 association that is subject to a homeowners association document.

254.6 (c) "Homeowners association document" means a document containing the declaration,
 254.7 articles of incorporation, bylaws, or rules and regulations of:

254.8 (1) a common interest community, as defined in section 515B.1-103, regardless of
 254.9 whether the common interest community is subject to chapter 515B; and

254.10 (2) a residential community that is not a common interest community.

254.11 (d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

254.12 Subd. 2. **General rule.** A private entity must not prohibit or refuse to permit installation,
 254.13 maintenance, or use of a roof-mounted solar energy system by the owner of a single-family
 254.14 dwelling, notwithstanding any covenant, restriction, or condition contained in a deed, security
 254.15 instrument, homeowners association document, or any other instrument affecting the transfer,
 254.16 sale of, or an interest in real property, except as provided in this section.

254.17 Subd. 3. **Applicability.** This section applies to single-family detached dwellings whose
 254.18 owner is the sole owner of the entire building in which the dwelling is located and who is
 254.19 solely responsible to maintain, repair, replace, and insure the entire building.

254.20 Subd. 4. **Allowable conditions.** (a) This section does not prohibit a private entity from
 254.21 requiring that:

254.22 (1) a licensed contractor install a solar energy system;

- 254.23 (2) a roof-mounted solar energy system not extend above the peak of a pitched roof or
254.24 beyond the edge of the roof;
- 254.25 (3) the owner or installer of a solar energy system indemnify or reimburse the private
254.26 entity or the private entity's members for loss or damage caused by the installation,
254.27 maintenance, use, repair, or removal of a solar energy system;
- 254.28 (4) the owner and each successive owner of a solar energy system list the private entity
254.29 as a certificate holder on the homeowner's insurance policy; or
- 255.1 (5) the owner and each successive owner of a solar energy system be responsible for
255.2 removing the system if reasonably necessary to repair, maintain, or replace common elements
255.3 or limited common elements, as defined in section 515B.1-103.
- 255.4 (b) A private entity may impose other reasonable restrictions on the installation,
255.5 maintenance, or use of solar energy systems, provided that those restrictions do not decrease
255.6 the projected generation of energy by a solar energy system by more than 20 percent or
255.7 increase the solar energy system's cost by more than (1) 20 percent for a solar water heater,
255.8 or (2) \$2,000 for a solar photovoltaic system, compared with the generation of energy and
255.9 the cost of labor and materials certified by the designer or installer of the solar energy system
255.10 as originally proposed without the restrictions. A private entity may obtain an alternative
255.11 bid and design from a solar energy system designer or installer for the purposes of this
255.12 paragraph.
- 255.13 (c) A solar energy system must meet applicable standards and requirements imposed by
255.14 the state and by governmental units, as defined in section 462.384.
- 255.15 (d) A solar energy system for heating water must be certified by the Solar Rating
255.16 Certification Corporation or an equivalent certification agency. A solar energy system for
255.17 producing electricity must meet all applicable safety and performance standards established
255.18 by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and
255.19 accredited testing laboratories, including but not limited to Underwriters Laboratories and,
255.20 where applicable, Public Utilities Commission rules regarding safety and reliability.
- 255.21 (e) If approval by a private entity is required to install or use a solar energy system, the
255.22 application for approval (1) must be processed and approved in the same manner as an
255.23 application for approval of an architectural modification to the property, and (2) must not
255.24 be willfully avoided or delayed.
- 255.25 (f) An application for approval must be made in writing and must contain certification
255.26 that the applicant meets any conditions required by a private entity under this subdivision.
255.27 An application must include a copy of the interconnection application submitted to the
255.28 applicable electric utility.
- 255.29 (g) A private entity shall approve or deny an application in writing. If an application is
255.30 not denied in writing within 60 days from the date the application is received, the application
255.31 is deemed approved unless the delay is the result of a reasonable request for additional

255.32 information. If a private entity receives an incomplete application that the private entity
255.33 determines prevents a decision to approve or disapprove the application, a new 60-day limit
255.34 begins only if the private entity sends written notice to the applicant, within 15 business
256.1 days of the date the incomplete application is received, informing the applicant what
256.2 additional information is required.

256.3 **Sec. 12. PHOTOVOLTAIC DEMAND CREDIT RIDER.**

256.4 By October 1, 2022, an investor-owned utility that has not already done so must submit
256.5 to the Public Utilities Commission a photovoltaic demand credit rider that reimburses all
256.6 demand-metered customers with solar photovoltaic systems greater than 40 kilowatts
256.7 alternating current for the demand charge overbilling that occurs. The utility may submit
256.8 to the commission multiple options to calculate reimbursement for demand charge overbilling.
256.9 At least one submission must use a capacity value stack methodology. The commission is
256.10 prohibited from approving a photovoltaic demand credit rider unless the rider allows
256.11 stand-alone photovoltaic systems and photovoltaic systems coupled with storage. The
256.12 commission must approve the photovoltaic demand credit rider by June 30, 2023.

256.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

256.14 **Sec. 13. REPEALER.**

256.15 Minnesota Statutes 2020, sections 16B.323, subdivisions 1 and 2; and 16B.326, are
256.16 repealed.

256.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

256.18 **ARTICLE 23**

256.19 **ELECTRIC VEHICLES**

256.20 Section 1. Minnesota Statutes 2021 Supplement, section 16C.135, subdivision 3, is amended
256.21 to read:

256.22 Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when
256.23 purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner
256.24 or the agency shall purchase ~~a motor vehicle that is capable of being powered by cleaner~~
256.25 ~~fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid~~
256.26 ~~fuel, if the total life-cycle cost of ownership is less than or comparable to that of other~~
256.27 ~~vehicles and if the vehicle is capable~~ the motor vehicle in conformity with the following
256.28 vehicle preference hierarchy, with clause (1) representing the top of the hierarchy:

256.29 (1) an electric vehicle;

256.30 (2) a hybrid electric vehicle;

257.1 (3) a vehicle capable of being powered by cleaner fuels; and

- 257.2 (4) a vehicle powered by gasoline or diesel fuel.
- 257.3 (b) The commissioner or agency may only reject a vehicle type that is higher on the
- 257.4 vehicle preference hierarchy if:
- 257.5 (1) the vehicle type is incapable of carrying out the purpose for which it is purchased;
- 257.6 or
- 257.7 (2) the total life-cycle cost of ownership of a vehicle type that is higher on the vehicle
- 257.8 preference hierarchy is more than ten percent higher than the next lower vehicle type or the
- 257.9 vehicle preference hierarchy.
- 257.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 257.11 Sec. 2. Minnesota Statutes 2020, section 16C.137, subdivision 1, is amended to read:
- 257.12 Subdivision 1. **Goals and actions.** Each state department must, whenever legally,
- 257.13 technically, and economically feasible, subject to the specific needs of the department and
- 257.14 responsible management of agency finances:
- 257.15 (1) ensure that all new on-road vehicles ~~purchased~~, excluding emergency and law
- 257.16 enforcement vehicles, are purchased in conformity with the hierarchy of preferences
- 257.17 established in section 16C.135, subdivision 3;
- 257.18 ~~(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;~~
- 257.19 ~~(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles~~
- 257.20 ~~per gallon for highway usage, including but not limited to hybrid electric cars and~~
- 257.21 ~~hydrogen-powered vehicles; or~~
- 257.22 ~~(iii) are powered solely by electricity;~~
- 257.23 (2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and
- 257.24 hydrogen from agricultural products; and
- 257.25 (3) increase its use of web-based Internet applications and other electronic information
- 257.26 technologies to enhance the access to and delivery of government information and services
- 257.27 to the public, and reduce the reliance on the department's fleet for the delivery of such
- 257.28 information and services.
- 257.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 258.1 Sec. 3. Minnesota Statutes 2020, section 160.08, subdivision 7, is amended to read:
- 258.2 Subd. 7. **No commercial establishment within right-of-way; exceptions.** No
- 258.3 commercial establishment, including but not limited to automotive service stations, for
- 258.4 serving motor vehicle users shall be constructed or located within the right-of-way of, or
- 258.5 on publicly owned or publicly leased land acquired or used for or in connection with, a
- 258.6 controlled-access highway; except that:

- 258.7 (1) structures may be built within safety rest and travel information center areas;
- 258.8 (2) space within state-owned buildings in those areas may be leased for the purpose of
- 258.9 providing information to travelers through advertising as provided in section 160.276;
- 258.10 (3) advertising signs may be erected within the right-of-way of interstate or
- 258.11 controlled-access trunk highways by franchise agreements under section 160.80;
- 258.12 (4) vending machines may be placed in rest areas, travel information centers, or weigh
- 258.13 stations constructed or located within trunk highway rights-of-way; ~~and~~
- 258.14 (5) acknowledgment signs may be erected under sections 160.272 and 160.2735; and
- 258.15 (6) electric vehicle charging stations may be installed, operated, and maintained in safety
- 258.16 rest areas.
- 258.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 258.18 Sec. 4. Minnesota Statutes 2020, section 168.27, is amended by adding a subdivision to
- 258.19 read:
- 258.20 Subd. 2a. Dealer training; electric vehicles. (a) A new motor vehicle dealer licensed
- 258.21 under this chapter that operates under an agreement or franchise from a manufacturer and
- 258.22 sells electric vehicles must maintain at least one employee who is certified as having
- 258.23 completed a training course offered by a Minnesota motor vehicle dealership association
- 258.24 that addresses at least the following elements:
- 258.25 (1) fundamentals of electric vehicles;
- 258.26 (2) electric vehicle charging options and costs;
- 258.27 (3) publicly available electric vehicle incentives;
- 258.28 (4) projected maintenance and fueling costs for electric vehicles;
- 258.29 (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric
- 258.30 vehicles;
- 259.1 (6) the impacts of Minnesota's cold climate on electric vehicle operation; and
- 259.2 (7) best practices to sell electric vehicles.
- 259.3 (b) For the purposes of this section, "electric vehicle" has the meaning given in section
- 259.4 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).
- 259.5 **EFFECTIVE DATE.** This section is effective January 1, 2023.

259.6 **Sec. 5. [216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

259.7 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
 259.8 the meanings given.

259.9 (b) "Battery exchange station" means a physical location deploying equipment that
 259.10 enables a used electric vehicle battery to be removed and exchanged for a fresh electric
 259.11 vehicle battery.

259.12 (c) "Electric vehicle" means any device or contrivance that transports persons or property
 259.13 and is capable of being powered by an electric motor drawing current from rechargeable
 259.14 storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes
 259.15 but is not limited to:

259.16 (1) an electric vehicle, as defined in section 169.011, subdivision 26a;

259.17 (2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

259.18 (3) an off-road vehicle, as defined in section 84.797, subdivision 7;

259.19 (4) a motorboat, as defined in section 86B.005, subdivision 9; or

259.20 (5) an aircraft, as defined in section 360.013, subdivision 37.

259.21 (d) "Electric vehicle charging station" means a physical location deploying equipment
 259.22 that:

259.23 (1) transfers electricity to an electric vehicle battery;

259.24 (2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

259.25 (3) exchanges electric vehicle batteries; or

259.26 (4) provides other equipment used to charge or fuel electric vehicles.

259.27 (e) "Electric vehicle infrastructure" means electric vehicle charging stations and any
 259.28 associated machinery, equipment, and infrastructure necessary for a public utility to supply
 259.29 electricity or hydrogen to an electric vehicle charging station and to support electric vehicle
 259.30 operation.

260.1 (f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into
 260.2 electricity through electrochemical reactions.

260.3 (g) "Government entity" means the state, a state agency, or a political subdivision, as
 260.4 defined in section 13.02, subdivision 11.

260.5 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

260.6 **Subd. 2. Transportation electrification plan; contents.** (a) By June 1, 2023, and at
 260.7 least every three years thereafter, a public utility must file a transportation electrification
 260.8 plan with the commission that is designed to (1) maximize the overall benefits of electric

- 260.9 vehicles and other electrified transportation while minimizing overall costs, and (2) promote
260.10 the:
- 260.11 (i) purchase of electric vehicles by the public utility's customers; and
260.12 (ii) deployment of electric vehicle infrastructure in the public utility's service territory.
- 260.13 (b) A transportation electrification plan may include but is not limited to the following
260.14 elements:
- 260.15 (1) programs to educate and increase the awareness and benefits of electric vehicles and
260.16 electric vehicle charging equipment among individuals, electric vehicle dealers, single-family
260.17 and multifamily housing developers and property management companies, building owners
260.18 and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential
260.19 users of electric vehicles;
- 260.20 (2) utility investments and incentives the utility provides and offers to support
260.21 transportation electrification across all customer classes, including but not limited to
260.22 investments and incentives to facilitate:
- 260.23 (i) the deployment of electric vehicles for personal and commercial use; customer- and
260.24 utility-owned electric vehicle charging stations; electric vehicle infrastructure to support
260.25 light-duty, medium-duty, and heavy-duty vehicle electrification; and other electric utility
260.26 infrastructure;
- 260.27 (ii) widespread access to publicly available electric vehicle charging stations; and
260.28 (iii) the electrification of public transit and vehicle fleets owned or operated by a
260.29 government entity;
- 260.30 (3) research and demonstration projects to increase access to electricity as a transportation
260.31 fuel, minimize the system costs of electric transportation, and inform future transportation
260.32 electrification plans;
- 261.1 (4) rate structures or programs that encourage electric vehicle charging that optimizes
261.2 electric grid operation, including time-varying rates and charging optimization programs;
- 261.3 (5) programs to increase access to the benefits of electricity as a transportation fuel for
261.4 low- or moderate-income customers and communities and in neighborhoods most affected
261.5 by transportation-related air emissions; and
- 261.6 (6) proposals to expedite commission consideration of program adjustments requested
261.7 during the term of an approved transportation electrification plan.
- 261.8 (c) If funding is limited, a public utility must give priority under this section to
261.9 investments in communities whose governing body has enacted a resolution or goal
261.10 supporting electric vehicle adoption. A public utility must cooperate with local communities

- 261.11 to identify suitable locations, consistent with a community's local development plans, where
 261.12 electric vehicle infrastructure may be strategically deployed.
- 261.13 Subd. 3. **Transportation electrification plan; review and implementation.** The
 261.14 commission may approve, modify, or reject a transportation electrification plan. When
 261.15 reviewing a transportation electrification plan, the commission must consider whether the
 261.16 programs, investments, and expenditures as a whole are reasonably expected to:
- 261.17 (1) improve the operation of the electric grid;
- 261.18 (2) increase access to the use of electricity as a transportation fuel for all customers,
 261.19 including those in low- or moderate-income communities, rural communities, and
 261.20 communities most affected by emissions from the transportation sector;
- 261.21 (3) increase access to publicly available electric vehicle charging and destination charging
 261.22 for all types of electric vehicles;
- 261.23 (4) support the electrification of medium-duty and heavy-duty vehicles and associated
 261.24 charging infrastructure;
- 261.25 (5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and
 261.26 emissions of other air pollutants that impair the environment and public health;
- 261.27 (6) stimulate private capital investment and the creation of skilled jobs;
- 261.28 (7) educate the public about the benefits of electric vehicles and related infrastructure;
 261.29 and
- 261.30 (8) be transparent and incorporate reasonable public reporting of program activities,
 261.31 consistent with existing technology and data capabilities, to inform program design and
 261.32 commission policy with respect to electric vehicles.
- 262.1 Subd. 4. **Cost recovery.** (a) Notwithstanding any other provision of this chapter, the
 262.2 commission may approve, with respect to any prudent and reasonable investments made or
 262.3 expenses incurred by a public utility to administer and implement a transportation
 262.4 electrification plan approved under subdivision 3:
- 262.5 (1) a rider or other tariff mechanism to automatically adjust charges annually;
- 262.6 (2) performance-based incentives;
- 262.7 (3) placing the investment, including rebates, in the public utility's rate base and allowing
 262.8 the public utility to earn a rate of return on the investment at:
- 262.9 (i) the public utility's average weighted cost of capital, including the rate of return on
 262.10 equity, approved by the commission in the public utility's most recent general rate case; or
- 262.11 (ii) another rate determined by the commission; or

- 262.12 (4) any other recovery mechanism that the commission determines is fair, reasonable,
 262.13 and supports the objectives of this section.
- 262.14 (b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the
 262.15 commission must approve recovery costs for expenses reasonably incurred by a public
 262.16 utility to provide public advertisement as part of a transportation electrification plan approved
 262.17 by the commission under subdivision 3.
- 262.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 262.19 **Sec. 6. [216B.1617] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**
- 262.20 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
 262.21 the meanings given.
- 262.22 (b) "Battery exchange station" means a physical location where equipment is deployed
 262.23 that enables a used electric vehicle battery to be exchanged for a fully charged battery.
- 262.24 (c) "Electric school bus" means an electric vehicle that is a school bus.
- 262.25 (d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.
- 262.26 (e) "Electric vehicle charging station" means a physical location deploying equipment
 262.27 that provides electricity to charge a battery in an electric vehicle.
- 262.28 (f) "Electric vehicle infrastructure" means electric vehicle charging stations and battery
 262.29 exchange stations, and includes any infrastructure necessary to make electricity from a
 262.30 public utility's electric distribution system available to electric vehicle charging stations or
 262.31 battery exchange stations.
- 263.1 (g) "Poor air quality" means: (1) ambient air levels that air monitoring data reveals
 263.2 approach or exceed state or federal air quality standards or chronic health inhalation risk
 263.3 benchmarks for total suspended particulates, particulate matter less than ten microns wide
 263.4 (PM-10), particulate matter less than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen
 263.5 dioxide; or (2) levels of asthma among children that significantly exceed the statewide
 263.6 average.
- 263.7 (h) "School bus" has the meaning given in section 169.011, subdivision 71.
- 263.8 **Subd. 2. Program.** (a) A public utility may file with the commission a program to
 263.9 promote deployment of electric school buses.
- 263.10 (b) The program may include but is not limited to the following elements:
- 263.11 (1) a school district may purchase one or more electric school buses;
- 263.12 (2) the public utility may provide a rebate to the school district for the incremental cost
 263.13 the school district incurs to purchase one or more electric school buses when compared with
 263.14 fossil-fuel-powered school buses;

- 263.15 (3) at the request of a school district, the public utility may deploy on the school district's
263.16 real property electric vehicle infrastructure required to charge electric school buses;
- 263.17 (4) for any electric school bus purchased by a school district with a rebate provided by
263.18 the public utility, the school district must enter into a contract with the public utility under
263.19 which the school district:
- 263.20 (i) accepts any and all liability for operating the electric school bus;
- 263.21 (ii) accepts responsibility to maintain and repair the electric school bus; and
- 263.22 (iii) must allow the public utility an option to own the electric school bus's battery at the
263.23 time the battery is retired from the electric school bus; and
- 263.24 (5) in collaboration with a school district, prioritize the deployment of electric school
263.25 buses in areas of the school district that suffer from poor air quality.
- 263.26 Subd. 3. **Program review and implementation.** The commission must approve, modify,
263.27 or reject a proposal for a program filed under this section within 180 days of the date the
263.28 proposal is received. The commission's approval, modification, or rejection must be based
263.29 on the proposal's likelihood to, through prudent and reasonable utility investments:
- 263.30 (1) accelerate deployment of electric school buses in the public utility's service territory,
263.31 particularly in areas with poor air quality; and
- 264.1 (2) reduce emissions of greenhouse gases and particulates compared to
264.2 fossil-fuel-powered school buses.
- 264.3 Subd. 4. **Cost recovery.** (a) Any prudent and reasonable investment made by a public
264.4 utility on electric vehicle infrastructure installed on a school district's real property may be
264.5 placed in the public utility's rate base and earn a rate of return, as determined by the
264.6 commission.
- 264.7 (b) Notwithstanding any other provision of this chapter, the commission may approve
264.8 a tariff mechanism to automatically adjust annual charges for prudent and reasonable
264.9 investments made by a public utility to implement and administer a program approved by
264.10 the commission under subdivision 3.
- 264.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 264.12 Sec. 7. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION**
264.13 **OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**
- 264.14 Subdivision 1. **Establishment.** A grant program is established in the Department of
264.15 Commerce to award grants to dealers to offset the costs to obtain the necessary training and
264.16 equipment that is required by electric vehicle manufacturers in order to certify a dealer to
264.17 sell electric vehicles produced by the manufacturer.

264.18 Subd. 2. **Application.** An application for a grant under this section must be made to the
264.19 commissioner on a form developed by the commissioner. The commissioner must develop
264.20 administrative procedures and processes to review applications and award grants under this
264.21 section.

264.22 Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must
264.23 be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise
264.24 from a manufacturer of electric vehicles.

264.25 Subd. 4. **Eligible expenditures.** Appropriations made to support the activities of this
264.26 section must be used only to reimburse:

264.27 (1) a dealer for the reasonable costs to obtain training and certification for the dealer's
264.28 employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

264.29 (2) a dealer for the reasonable costs to purchase and install equipment to service and
264.30 repair electric vehicles, as required by the electric vehicle manufacturer that awarded the
264.31 franchise to the dealer; and

264.32 (3) the department for the reasonable costs incurred to administer this section.

265.1 Subd. 5. **Limitation.** A grant awarded under this section to a single dealer must not
265.2 exceed \$40,000.

265.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

265.4 Sec. 8. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision
265.5 to read:

265.6 Subd. 6a. **Electric vehicle capable space.** "Electric vehicle capable space" means a
265.7 designated automobile parking space that has electrical infrastructure, including but not
265.8 limited to raceways, cables, electrical capacity, and panelboard or other electrical distribution
265.9 space, necessary to install an electric vehicle charging station.

265.10 Sec. 9. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision
265.11 to read:

265.12 Subd. 6b. **Electric vehicle charging station.** "Electric vehicle charging station" means
265.13 a designated automobile parking space that has a dedicated connection for charging an
265.14 electric vehicle.

265.15 Sec. 10. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision
265.16 to read:

265.17 Subd. 6c. **Electric vehicle ready space.** "Electric vehicle ready space" means a designated
265.18 automobile parking space that has a branch circuit capable of supporting the installation of
265.19 an electric vehicle charging station.

265.20 Sec. 11. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision
265.21 to read:

265.22 Subd. 10a. **Parking facilities.** "Parking facilities" includes parking lots, garages, ramps,
265.23 or decks.

265.24 Sec. 12. Minnesota Statutes 2020, section 326B.106, is amended by adding a subdivision
265.25 to read:

265.26 Subd. 16. **Electric vehicle charging.** The code shall require a minimum number of
265.27 electric vehicle-ready spaces, electric vehicle capable spaces, and electric vehicle charging
265.28 stations either within or adjacent to new commercial and multifamily structures that provide
265.29 on-site parking facilities. Residential structures with fewer than four dwelling units are
265.30 exempt from this subdivision.

266.1 Sec. 13. **ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS IN**
266.2 **STATE AND REGIONAL PARKS.**

266.3 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
266.4 the meanings given.

266.5 (b) "DC fast charger" means electric vehicle charging station equipment that transfers
266.6 direct current electricity directly to an electric vehicle's battery.

266.7 (c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011,
266.8 subdivision 26a.

266.9 (d) "Electric vehicle charging station" means infrastructure that connects an electric
266.10 vehicle to a Level 2 or DC fast charger to recharge the electric vehicle's batteries.

266.11 (e) "Level 2 charger" means electric vehicle charging station equipment that transfers
266.12 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts
266.13 alternating current to direct current to recharge an electric vehicle battery.

266.14 Subd. 2. **Program.** The commissioner of natural resources, in consultation with the
266.15 commissioners of the Pollution Control Agency, administration, and commerce, must
266.16 develop and fund the installation of a network of electric vehicle charging stations in
266.17 Minnesota state parks. The commissioners must issue a request for proposals to entities that
266.18 have experience installing, owning, operating, and maintaining electric vehicle charging
266.19 stations. The request for proposal must establish technical specifications that electric vehicle
266.20 charging stations are required to meet and must request responders to address:

266.21 (1) the optimal number and location of charging stations installed in a given state park;

266.22 (2) alternative arrangements that may be made to allocate responsibility for electric
266.23 vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing
266.24 procedures; and

- 266.25 (3) any other issues deemed relevant by the commissioners.
- 266.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 266.27 Sec. 14. **ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS AT**
- 266.28 **COUNTY GOVERNMENT CENTERS.**
- 266.29 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
- 266.30 the meanings given.
- 267.1 (b) "DC fast charger" means electric vehicle charging station equipment that transfers
- 267.2 direct current electricity directly to an electric vehicle's battery.
- 267.3 (c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011,
- 267.4 subdivision 26a.
- 267.5 (d) "Electric vehicle charging station" means infrastructure that connects an electric
- 267.6 vehicle to a Level 2 or DC fast charger to recharge the electric vehicle's batteries.
- 267.7 (e) "Level 2 charger" means electric vehicle charging station equipment that transfers
- 267.8 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts
- 267.9 alternating current to direct current to recharge an electric vehicle battery.
- 267.10 Subd. 2. **Program.** The commissioner of commerce must develop and fund the installation
- 267.11 of a network of electric vehicle charging stations in public parking facilities at county
- 267.12 government centers located in Minnesota. The commissioner must issue a request for
- 267.13 proposals to entities that have experience installing, owning, operating, and maintaining
- 267.14 electric vehicle charging stations. The request for proposal must establish technical
- 267.15 specifications that electric vehicle charging stations are required to meet and must request
- 267.16 responders to address:
- 267.17 (1) the optimal number and location of charging stations installed at each county
- 267.18 government center;
- 267.19 (2) alternative arrangements that may be made to allocate responsibility for electric
- 267.20 vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing
- 267.21 procedures;
- 267.22 (3) software used to allow payment for electricity consumed at the charging stations;
- 267.23 and
- 267.24 (4) any other issues deemed relevant by the commissioner.
- 267.25 Subd. 3. **County role.** (a) A county has a right of first refusal with respect to ownership
- 267.26 of electric vehicle charging stations receiving funding under this section and installed at the
- 267.27 county government center.
- 267.28 (b) A county may enter into agreements to (1) wholly or partially own, operate, or
- 267.29 maintain an electric vehicle charging system receiving funding under this section and

267.30 installed at the county government center, or (2) receive reports on the electric vehicle
267.31 charging system operations.

268.1 (c) A county must authorize and approve the installation and location of an electric
268.2 vehicle charging station at a county government center under this section.

268.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

268.4 **ARTICLE 24**

268.5 **RENEWABLE ECONOMIC DEVELOPMENT**

268.6 Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

268.7 Subdivision 1. **Renewable development account.** (a) The renewable development
268.8 account is established as a separate account in the special revenue fund in the state treasury.
268.9 Appropriations and transfers to the account shall be credited to the account. Earnings, such
268.10 as interest, dividends, and any other earnings arising from assets of the account, shall be
268.11 credited to the account. Funds remaining in the account at the end of a fiscal year are not
268.12 canceled to the general fund but remain in the account until expended. The account shall
268.13 be administered by the commissioner of management and budget as provided under this
268.14 section.

268.15 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
268.16 plant must transfer all funds in the renewable development account previously established
268.17 under this subdivision and managed by the public utility to the renewable development
268.18 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
268.19 that have not yet been expended and unencumbered funds required to be paid in calendar
268.20 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
268.21 to transfer under this paragraph.

268.22 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
268.23 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
268.24 plant must transfer to the renewable development account \$500,000 each year for each dry
268.25 cask containing spent fuel that is located at the Prairie Island power plant for each year the
268.26 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
268.27 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
268.28 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
268.29 part of a year.

268.30 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
268.31 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
268.32 plant must transfer to the renewable development account \$350,000 each year for each dry
268.33 cask containing spent fuel that is located at the Monticello nuclear power plant for each
269.1 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
269.2 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear

269.3 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
269.4 any part of a year.

269.5 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
269.6 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
269.7 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

269.8 (f) If the commission approves a new or amended power purchase agreement, the
269.9 termination of a power purchase agreement, or the purchase and closure of a facility under
269.10 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
269.11 the public utility subject to this section shall enter into a contract with the city in which the
269.12 poultry litter plant is located to provide grants to the city for the purposes of economic
269.13 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
269.14 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
269.15 by the public utility from funds withheld from the transfer to the renewable development
269.16 account, as provided in paragraphs (b) and (e).

269.17 (g) If the commission approves a new or amended power purchase agreement, or the
269.18 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
269.19 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
269.20 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
269.21 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
269.22 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
269.23 30 days after the commission approves the new or amended power purchase agreement, or
269.24 the termination of the power purchase agreement, and on each June 1 thereafter through
269.25 2021, to assist the transition required by the new, amended, or terminated power purchase
269.26 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
269.27 to the renewable development account as provided in paragraphs (b) and (e).

269.28 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
269.29 and (g) is limited to the amount deposited into the renewable development account, and its
269.30 predecessor, the renewable development account, established under this section, that was
269.31 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
269.32 10.

269.33 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
269.34 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued
270.1 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
270.2 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
270.3 in which the commission finds, by the preponderance of the evidence, that the public utility
270.4 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
270.5 permanent or interim storage site out of the state. This determination shall be made at least
270.6 every two years.

270.7 (j) Funds in the account may be expended only for any of the following purposes:

- 270.8 (1) to stimulate research and development of renewable electric energy technologies;
- 270.9 (2) to encourage grid modernization, including, but not limited to, projects that implement
- 270.10 electricity storage, load control, and smart meter technology; and
- 270.11 (3) to stimulate other innovative energy projects that reduce demand and increase system
- 270.12 efficiency and flexibility.
- 270.13 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
- 270.14 from the utility that owns a nuclear-powered electric generating plant in this state or the
- 270.15 Prairie Island Indian community or its members.
- 270.16 The utility that owns a nuclear generating plant is eligible to apply for grants under this
- 270.17 subdivision.
- 270.18 (k) For the purposes of paragraph (j), the following terms have the meanings given:
- 270.19 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
- 270.20 (c), clauses (1), (2), (4), and (5); and
- 270.21 (2) "grid modernization" means:
- 270.22 (i) enhancing the reliability of the electrical grid;
- 270.23 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
- 270.24 and
- 270.25 (iii) increasing energy conservation opportunities by facilitating communication between
- 270.26 the utility and its customers through the use of two-way meters, control technologies, energy
- 270.27 storage and microgrids, technologies to enable demand response, and other innovative
- 270.28 technologies.
- 270.29 (l) A renewable development account advisory group that includes, among others,
- 270.30 representatives of the public utility and its ratepayers, and includes at least one representative
- 270.31 of the Prairie Island Indian community appointed by that community's tribal council, shall
- 270.32 develop recommendations on account expenditures. The advisory group must design a
- 271.1 request for proposal and evaluate projects submitted in response to a request for proposals.
- 271.2 The advisory group must utilize an independent third-party expert to evaluate proposals
- 271.3 submitted in response to a request for proposal, including all proposals made by the public
- 271.4 utility. A request for proposal for research and development under paragraph (j), clause (1),
- 271.5 may be limited to or include a request to higher education institutions located in Minnesota
- 271.6 for multiple projects authorized under paragraph (j), clause (1). The request for multiple
- 271.7 projects may include a provision that exempts the projects from the third-party expert review
- 271.8 and instead provides for project evaluation and selection by a merit peer review grant system.
- 271.9 In the process of determining request for proposal scope and subject and in evaluating
- 271.10 responses to request for proposals, the advisory group must strongly consider, where
- 271.11 reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

271.12 (m) The advisory group shall submit funding recommendations to the public utility,
271.13 which has full and sole authority to determine which expenditures shall be submitted by
271.14 the advisory group to the legislature. The commission may approve proposed expenditures,
271.15 may disapprove proposed expenditures that it finds not to be in compliance with this
271.16 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,
271.17 modify proposed expenditures. The commission shall, by order, submit its funding
271.18 recommendations to the legislature as provided under paragraph (n).

271.19 (n) The commission shall present its recommended appropriations from the account to
271.20 the senate and house of representatives committees with jurisdiction over energy policy and
271.21 finance annually by February 15. Expenditures from the account must be appropriated by
271.22 law. In enacting appropriations from the account, the legislature:

271.23 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
271.24 a project recommended by the commission; and

271.25 (2) may not appropriate money for a project the commission has not recommended
271.26 funding.

271.27 (o) A request for proposal for renewable energy generation projects must, when feasible
271.28 and reasonable, give preference to projects that are most cost-effective for a particular energy
271.29 source.

271.30 (p) The advisory group must annually, by February 15, report to the chairs and ranking
271.31 minority members of the legislative committees with jurisdiction over energy policy on
271.32 projects funded by the account for the prior year and all previous years. The report must,
271.33 to the extent possible and reasonable, itemize the actual and projected financial benefit to
271.34 the public utility's ratepayers of each project.

272.1 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of
272.2 management and budget shall submit a written report regarding the availability of funds in
272.3 and obligations of the account to the chairs and ranking minority members of the senate
272.4 and house committees with jurisdiction over energy policy and finance, the public utility,
272.5 and the advisory group.

272.6 (r) A project receiving funds from the account must produce a written final report that
272.7 includes sufficient detail for technical readers and a clearly written summary for nontechnical
272.8 readers. The report must include an evaluation of the project's financial, environmental, and
272.9 other benefits to the state and the public utility's ratepayers.

272.10 (s) Final reports, any mid-project status reports, and renewable development account
272.11 financial reports must be posted online on a public website designated by the commissioner
272.12 of commerce.

272.13 (t) All final reports must acknowledge that the project was made possible in whole or
272.14 part by the Minnesota renewable development account, noting that the account is financed
272.15 by the public utility's ratepayers.

7.22 Sec. 3. Minnesota Statutes 2020, section 116J.55, subdivision 1, is amended to read:

7.23 Subdivision 1. **Definitions.** For the purposes of this section, "eligible community" means
7.24 a county, municipality, or tribal government located in Minnesota in which an electric
7.25 generating plant owned by a public utility, as defined in section 216B.02, that is powered
7.26 by coal, nuclear energy, or natural gas:

7.27 (1) is currently operating and (i) is scheduled to cease operations or, (ii) whose cessation
7.28 of operations has been proposed in an integrated resource plan filed with the commission
7.29 under section 216B.2422, or (iii) whose current operating license expires within 15 years
7.30 of the effective date of this section; or

7.31 (2) ceased operations or was removed from the local property tax base no earlier than
7.32 five years before the date an application is made for a grant under this section.

8.1 Sec. 4. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

8.2 Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under~~
8.3 ~~this section to eligible communities through a competitive grant process.~~

8.4 ~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed
8.5 \$500,000 in any calendar year. The commissioner may accept grant applications on an
8.6 ongoing or rolling basis.

8.7 ~~(c)~~ (b) Grants funded with revenues from the renewable development account established
8.8 in section 116C.779 must be awarded to an eligible community located within the retail
8.9 electric service territory of the public utility that is subject to section 116C.779 or to an
8.10 eligible community in which an electric generating plant owned by that public utility is
8.11 located.

272.16 (u) Of the amount in the renewable development account, priority must be given to
272.17 making the payments required under section 216C.417.

272.18 (v) A construction project funded from an appropriation made under this section must
272.19 comply with sections 177.41 to 177.43.

272.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
272.21 applies to appropriations made on or after that date.

272.22 Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

272.23 Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under~~
272.24 ~~this section to eligible communities through a competitive grant process.~~

272.25 ~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed
272.26 \$500,000 in any calendar year. The commissioner may accept grant applications on an
272.27 ongoing or rolling basis.

272.28 ~~(c)~~ (b) Grants funded with revenues from the renewable development account established
272.29 in section 116C.779 must be awarded to an eligible community located within the retail
272.30 electric service territory of the public utility that is subject to section 116C.779 or to an
272.31 eligible community in which an electric generating plant owned by that public utility is
272.32 located.

273.1 Sec. 3. Minnesota Statutes 2020, section 216B.16, subdivision 13, is amended to read:

273.2 Subd. 13. **Economic and community development.** The commission may allow a
273.3 public utility to recover from ratepayers the reasonable expenses incurred (1) for economic
273.4 and community development, and (2) to employ local workers, as defined in section
273.5 216B.2422, subdivision 1, to construct and maintain generation facilities that supply power
273.6 to the utility's customers.

273.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

273.8 Sec. 4. Minnesota Statutes 2020, section 216B.1645, subdivision 2, is amended to read:

273.9 Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the
 273.10 approved contract or useful life of the investment ~~and~~, expenditures made pursuant to section
 273.11 116C.779 ~~shall be~~, and the expenses incurred to employ local workers to construct and
 273.12 maintain generation facilities that supply power to the utility's customers are recoverable
 273.13 from the ratepayers of the utility; (1) to the extent ~~they~~ the expenses or expenditures are not
 273.14 offset by utility revenues attributable to the contracts, investments, or expenditures, and (2)
 273.15 if the expenses or expenditures are deemed reasonable by the commission. Upon petition
 273.16 by a public utility, the commission shall approve or approve as modified a rate schedule
 273.17 providing for the automatic adjustment of charges to recover the expenses or costs approved
 273.18 by the commission under subdivision 1, which, in the case of transmission expenditures,
 273.19 are limited to the portion of actual transmission costs that are directly allocable to the need
 273.20 to transmit power from the renewable sources of energy. The commission may not approve
 273.21 recovery of the costs for that portion of the power generated from sources governed by this
 273.22 section that the utility sells into the wholesale market.

273.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

273.24 Sec. 5. Minnesota Statutes 2020, section 216B.1691, subdivision 9, is amended to read:

273.25 Subd. 9. **Local benefits.** The commission shall take all reasonable actions within ~~its~~ the
 273.26 commission's statutory authority to ensure this section is implemented to maximize benefits
 273.27 to Minnesota citizens and local workers, as defined in section 216B.2422, subdivision 1,
 273.28 balancing factors such as local ownership of or participation in energy production; local
 273.29 job impacts, as defined in section 216B.2422, subdivision 1; development and ownership
 273.30 of eligible energy technology facilities by independent power producers; Minnesota utility
 273.31 ownership of eligible energy technology facilities; the costs of energy generation to satisfy
 273.32 the renewable standard; and the reliability of electric service to Minnesotans.

274.1 Sec. 6. Minnesota Statutes 2020, section 216B.2422, subdivision 1, is amended to read:

274.2 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
 274.3 subdivision have the meanings given them.

274.4 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more
 274.5 of electric power and serving, either directly or indirectly, the needs of 10,000 retail
 274.6 customers in Minnesota. Utility does not include federal power agencies.

274.7 (c) "Renewable energy" means electricity generated through use of any of the following
 274.8 resources:

274.9 (1) wind;

274.10 (2) solar;

274.11 (3) geothermal;

- 274.12 (4) hydro;
- 274.13 (5) trees or other vegetation;
- 274.14 (6) landfill gas; or
- 274.15 (7) predominantly organic components of wastewater effluent, sludge, or related
- 274.16 by-products from publicly owned treatment works, but not including incineration of
- 274.17 wastewater sludge.
- 274.18 (d) "Resource plan" means a set of resource options that a utility could use to meet the
- 274.19 service needs of its customers over a forecast period, including an explanation of the supply
- 274.20 and demand circumstances under which, and the extent to which, each resource option
- 274.21 would be used to meet those service needs. These resource options include using,
- 274.22 refurbishing, and constructing utility plant and equipment, buying power generated by other
- 274.23 entities, controlling customer loads, and implementing customer energy conservation.
- 274.24 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating
- 274.25 resource of 30 megawatts or greater.
- 274.26 (f) "Energy storage system" means a commercially available technology that:
- 274.27 (1) uses mechanical, chemical, or thermal processes to:
- 274.28 (i) store energy, including energy generated from renewable resources and energy that
- 274.29 would otherwise be wasted, and deliver the stored energy for use at a later time; or
- 274.30 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner
- 274.31 that reduces the demand for electricity at the later time;
- 275.1 (2) is composed of stationary equipment;
- 275.2 (3) if being used for electric grid benefits, is operationally visible and capable of being
- 275.3 controlled by the distribution or transmission entity managing it, to enable and optimize the
- 275.4 safe and reliable operation of the electric system; and
- 275.5 (4) achieves any of the following:
- 275.6 (i) reduces peak or electrical demand;
- 275.7 (ii) defers the need or substitutes for an investment in electric generation, transmission,
- 275.8 or distribution assets;
- 275.9 (iii) improves the reliable operation of the electrical transmission or distribution systems,
- 275.10 while ensuring transmission or distribution needs are not created; or
- 275.11 (iv) lowers customer costs by storing energy when the cost of generating or purchasing
- 275.12 it is low and delivering it to customers when the costs are high.

275.13 (g) "Local job impacts" means the impacts of a certificate of need, a power purchase
275.14 agreement, or commission approval of a new or refurbished energy facility on the availability
275.15 of construction employment opportunities to local workers.

275.16 (h) "Local workers" means workers who (1) are employed to construct and maintain
275.17 energy infrastructure; and (2) are Minnesota residents, are residents of the utility's service
275.18 territory, or permanently reside within 150 miles of a proposed new or refurbished energy
275.19 facility.

275.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

275.21 Sec. 7. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision
275.22 to read:

275.23 Subd. 4a. **Preference for local job creation.** As part of a resource plan filing, a utility
275.24 must report on associated local job impacts and the steps the utility and the utility's energy
275.25 suppliers and contractors are taking to maximize the availability of construction employment
275.26 opportunities for local workers. The commission must consider local job impacts and give
275.27 preference to proposals that maximize the creation of construction employment opportunities
275.28 for local workers, consistent with the public interest, when evaluating any utility proposal
275.29 that involves the selection or construction of facilities used to generate or deliver energy to
275.30 serve the utility's customers, including but not limited to an integrated resource plan, a
275.31 certificate of need, a power purchase agreement, or commission approval of a new or
275.32 refurbished electric generation facility. The commission must, to the maximum extent
276.1 possible, prioritize the hiring of workers from communities hosting retiring electric generation
276.2 facilities, including workers previously employed at the retiring facilities.

276.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and
276.4 applies to an integrated resource plan filed with the commission on or after that date.

276.5 Sec. 8. Minnesota Statutes 2020, section 216B.2422, subdivision 5, is amended to read:

276.6 Subd. 5. **Bidding; exemption from certificate of need proceeding.** (a) A utility may
276.7 select resources to meet its projected energy demand through a bidding process approved
276.8 or established by the commission. A utility shall use the environmental cost estimates
276.9 determined under subdivision 3 ~~in~~ and consider local job impacts when evaluating bids
276.10 submitted in a process established under this subdivision.

276.11 (b) Notwithstanding any other provision of this section, if an electric power generating
276.12 plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding
276.13 process approved or established by the commission, a certificate of need proceeding under
276.14 section 216B.243 is not required.

276.15 (c) A certificate of need proceeding is also not required for an electric power generating
276.16 plant that has been selected in a bidding process approved or established by the commission,
276.17 or such other selection process approved by the commission, to satisfy, in whole or in part,
276.18 the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

26.22 Sec. 19. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

26.23 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
26.24 means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland
26.25 that the implementing entity has determined, after review of an energy audit ~~or~~, renewable
26.26 energy system feasibility study, or agronomic assessment, ~~can be benefited by benefit from~~
26.27 the installation of cost-effective energy improvements or land and water improvements, as
26.28 defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes
26.29 new construction.

27.1 Sec. 20. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision
27.2 to read:

27.3 Subd. 1b. **Definition.** For the purposes of this section, "land and water improvements"
27.4 means:

27.5 (1) any improvement to qualifying farmland, as defined in section 273.13, subdivision
27.6 23, that is permanent in nature, results in improved agricultural productivity or resiliency,
27.7 and reduces environmental impact; or

27.8 (2) water conservation measures, which includes permanently affixed equipment,
27.9 appliances, or improvements that reduce a property's water consumption or that enable the
27.10 property to manage water more efficiently.

27.11 Sec. 21. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

27.12 Subd. 2. **Program requirements.** A commercial PACE loan program must:

27.13 (1) impose requirements and conditions on financing arrangements to ensure timely
27.14 repayment;

276.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
276.20 applies to an integrated resource plan filed with the commission on or after that date.

276.21 Sec. 9. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

276.22 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
276.23 means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland,
276.24 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,
276.25 after review of an energy audit ~~or~~, renewable energy system feasibility study, or agronomic
276.26 assessment, as defined in section 216C.436, subdivision 1b, ~~can be benefited by benefit~~
276.27 from the installation of cost-effective energy improvements or land and water improvements,
276.28 as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes
276.29 new construction.

277.1 Sec. 10. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision
277.2 to read:

277.3 Subd. 1b. **Definitions.** (a) For the purposes of this section, the following terms have the
277.4 meanings given.

277.5 (b) "Agronomic assessment" means a study by an independent third party that assesses
277.6 the environmental impacts of proposed land and water improvements on farmland.

277.7 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under
277.8 section 273.13, subdivision 23.

277.9 (d) "Land and water improvement" means:

277.10 (1) an improvement to farmland that is permanent, results in improved agricultural
277.11 profitability or resiliency, and reduces the environmental impact of agricultural production;
277.12 or

277.13 (2) water conservation and quality measures, which include permanently affixed
277.14 equipment, appliances, or improvements that reduce a property's water consumption or that
277.15 enable water to be managed more efficiently.

277.16 Land and water improvement does not include drainage.

277.17 (e) "Resiliency" means the ability of farmland to maintain and enhance profitability,
277.18 soil health, and water quality.

277.19 Sec. 11. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

277.20 Subd. 2. **Program requirements.** A commercial PACE loan program must:

277.21 (1) impose requirements and conditions on financing arrangements to ensure timely
277.22 repayment;

27.15 (2) require an energy audit or renewable energy system feasibility study to be conducted
27.16 on the qualifying commercial real property and reviewed by the implementing entity prior
27.17 to approval of the financing;

27.18 (3) require the inspection of all installations and a performance verification of at least
27.19 ten percent of the cost-effective energy improvements or land and water improvements
27.20 financed by the program;

27.21 (4) not prohibit the financing of all cost-effective energy improvements or land and
27.22 water improvements not otherwise prohibited by this section;

27.23 (5) require that all cost-effective energy improvements or land and water improvements
27.24 be made to a qualifying commercial real property prior to, or in conjunction with, an
27.25 applicant's repayment of financing for cost-effective energy improvements for that property;

27.26 (6) have cost-effective energy improvements or land and water improvements financed
27.27 by the program performed by a licensed contractor as required by chapter 326B or other
27.28 law or ordinance;

27.29 (7) require disclosures to borrowers by the implementing entity of the risks involved in
27.30 borrowing, including the risk of foreclosure if a tax delinquency results from a default;

27.31 (8) provide financing only to those who demonstrate an ability to repay;

28.1 (9) not provide financing for a qualifying commercial real property in which the owner
28.2 is not current on mortgage or real property tax payments;

28.3 (10) require a petition to the implementing entity by all owners of the qualifying
28.4 commercial real property requesting collections of repayments as a special assessment under
28.5 section 429.101;

28.6 (11) provide that payments and assessments are not accelerated due to a default and that
28.7 a tax delinquency exists only for assessments not paid when due; ~~and~~

28.8 (12) require that liability for special assessments related to the financing runs with the
28.9 qualifying commercial real property; and

28.10 (13) prior to financing any improvements to or imposing any assessment upon qualifying
28.11 commercial real property, require notice to and written consent from the mortgage lender
28.12 of any mortgage encumbering or otherwise secured by the qualifying commercial real
28.13 property.

277.23 (2) require an energy audit ~~or~~ renewable energy system feasibility study, or agronomic
277.24 or soil health assessment to be conducted on the qualifying commercial real property and
277.25 reviewed by the implementing entity prior to approval of the financing;

277.26 (3) require the inspection of all installations and a performance verification of at least
277.27 ten percent of the cost-effective energy improvements or land and water improvements
277.28 financed by the program;

277.29 (4) not prohibit the financing of all cost-effective energy improvements or land and
277.30 water improvements not otherwise prohibited by this section;

278.1 (5) require that all cost-effective energy improvements or land and water improvements
278.2 be made to a qualifying commercial real property prior to, or in conjunction with, an
278.3 applicant's repayment of financing for cost-effective energy improvements or land and water
278.4 improvements for that property;

278.5 (6) have cost-effective energy improvements or land and water improvements financed
278.6 by the program performed by a licensed contractor as required by chapter 326B or other
278.7 law or ordinance;

278.8 (7) require disclosures to borrowers by the implementing entity of the risks involved in
278.9 borrowing, including the risk of foreclosure if a tax delinquency results from a default;

278.10 (8) provide financing only to those who demonstrate an ability to repay;

278.11 (9) not provide financing for a qualifying commercial real property in which the owner
278.12 is not current on mortgage or real property tax payments;

278.13 (10) require a petition to the implementing entity by all owners of the qualifying
278.14 commercial real property requesting collections of repayments as a special assessment under
278.15 section 429.101;

278.16 (11) provide that payments and assessments are not accelerated due to a default and that
278.17 a tax delinquency exists only for assessments not paid when due; ~~and~~

278.18 (12) require that liability for special assessments related to the financing runs with the
278.19 qualifying commercial real property; and

278.20 (13) prior to financing any improvements to or imposing any assessment upon qualifying
278.21 commercial real property, require notice to and written consent from the mortgage lender
278.22 of any mortgage encumbering or otherwise secured by the qualifying commercial real
278.23 property.

278.24 Sec. 12. **[216C.441] MINNESOTA INNOVATION FINANCE AUTHORITY.**

278.25 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
278.26 the meanings given.

- 278.27 (b) "Advisory task force" means the Minnesota Innovation Finance Authority advisory
278.28 task force.
- 278.29 (c) "Authority" means the Minnesota Innovation Finance Authority.
- 278.30 (d) "Clean energy project" has the meaning given to "qualified project" in paragraph
278.31 (k), clauses (1) to (4).
- 279.1 (e) "Credit enhancement" means a pool of capital set aside to cover potential losses on
279.2 loans made by private lenders. Credit enhancement includes but is not limited to loan loss
279.3 reserves and loan guarantees.
- 279.4 (f) "Energy storage system" has the meaning given in section 216B.2422, subdivision
279.5 1, paragraph (f).
- 279.6 (g) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into
279.7 electricity through electrochemical reactions.
- 279.8 (h) "Greenhouse gas emissions" has the meaning given to "statewide greenhouse gas
279.9 emissions" in section 216H.01, subdivision 2.
- 279.10 (i) "Loan loss reserve" means a pool of capital set aside to reimburse a private lender if
279.11 a customer defaults on a loan, up to an agreed-upon percentage of loans originated by the
279.12 private lender.
- 279.13 (j) "Microgrid system" means an electrical grid that (1) serves a discrete geographical
279.14 area from distributed energy resources, and (2) can operate independently from the central
279.15 electric grid on a temporary basis.
- 279.16 (k) "Qualified project" means a project, technology, product, service, or measure
279.17 predominantly focused on clean energy, electrification, or energy or climate resilience as
279.18 follows:
- 279.19 (1) a project, technology, product, service, or measure that:
- 279.20 (i) results in the reduction of energy use while providing the same level of service or
279.21 output obtained before the project, technology, product, service, function, or measure was
279.22 applied;
- 279.23 (ii) shifts the use of electricity by retail customers in response to changes in the price of
279.24 electricity that vary over time or provides other incentives designed to shift electricity
279.25 demand from times when market prices are high or when system reliability is jeopardized;
279.26 or
- 279.27 (iii) significantly reduces greenhouse gas emissions relative to greenhouse gas emissions
279.28 produced before the project is implemented, excluding projects that generate power from
279.29 the combustion of fossil fuels;

- 279.30 (2) the development, construction, deployment, alteration, or repair of any:
- 279.31 (i) project, technology, product, service, or measure that generates electric power from
- 279.32 renewable energy; or
- 280.1 (ii) distributed generation system, energy storage system, smart grid technology, microgrid
- 280.2 system, fuel cell system, or combined heat and power system;
- 280.3 (3) the installation, construction, or use of end-use electric technology that replaces
- 280.4 existing fossil-fuel-based technology;
- 280.5 (4) a project, technology, product, service, or measure that supports the development
- 280.6 and deployment of electric vehicle charging stations and associated infrastructure;
- 280.7 (5) a project that reduces net greenhouse gas emissions or improves climate resiliency,
- 280.8 including but not limited to reforestation, afforestation, forestry management, and
- 280.9 regenerative agriculture;
- 280.10 (6) the construction or enhancement of infrastructure that is planned, designed, and
- 280.11 operated in a manner that anticipates, prepares for, and adapts to current and projected
- 280.12 changing climate conditions so that the infrastructure withstands, responds to, and more
- 280.13 readily recovers from disruptions caused by the current and projected changing climate
- 280.14 conditions; and
- 280.15 (7) the development, construction, deployment, alteration, or repair of any project,
- 280.16 technology, product, service, or measure that: (i) reduces water use while providing the
- 280.17 same or better level and quality of service or output that was obtained before implementing
- 280.18 the water-saving approach; or (ii) protects, restores, or preserves the quality of groundwater
- 280.19 and surface waters, including but not limited to actions that further the purposes of the Clean
- 280.20 Water Legacy Act, as provided in section 114D.10, subdivision 1.
- 280.21 (l) "Regenerative agriculture" means farming methods that reduce agriculture's
- 280.22 contribution to climate change by increasing the soil's ability to absorb atmospheric carbon
- 280.23 and convert the atmospheric carbon to soil carbon.
- 280.24 (m) "Renewable energy" has the meaning given in section 216B.2422 and includes fuel
- 280.25 cells generated from renewable energy.
- 280.26 (n) "Smart grid" means a digital technology that (1) allows for two-way communication
- 280.27 between a utility and the utility's customers, and (2) enables the utility to control power
- 280.28 flow and load in real time.
- 280.29 Subd. 2. **Establishment; purpose.** (a) By September 1, 2022, the department must
- 280.30 establish and convene a Minnesota Innovation Finance Authority Advisory Task Force.
- 280.31 (b) By February 1, 2023, the Minnesota Innovation Finance Authority Advisory Task
- 280.32 Force convened by the department must establish the Minnesota innovation finance authority
- 280.33 as a nonprofit corporation, including the development of the nonprofit board under chapter

- 281.1 317A, and must seek designation as a charitable tax-exempt organization under section
281.2 501(c)(3) of the Internal Revenue Code of 1986, as amended. The advisory task force must
281.3 engage independent legal counsel with relevant experience in nonprofit corporate law to
281.4 help establish the nonprofit corporation. The nonprofit corporation must be governed by a
281.5 board of directors.
- 281.6 (c) The authority must establish bylaws, subject to the prior approval by the
281.7 commissioner.
- 281.8 (d) The initial board of directors must include at least a majority of the members of the
281.9 advisory task force established under subdivision 5.
- 281.10 (e) When incorporated, the authority must serve as an independent, nonprofit corporation
281.11 for public benefit whose purpose is to (1) promote investments in qualified clean energy,
281.12 efficiency, electrification, and other climate-mitigation-related projects, and (2) accelerate
281.13 the deployment of qualified projects by reducing the up-front and total cost of adoption.
281.14 The authority may achieve the purposes under this paragraph by leveraging public sources
281.15 and additional private sources of capital through the strategic deployment of public money
281.16 in the form of loans, credit enhancements, and other financing mechanisms, along with
281.17 strategies that stimulate demand.
- 281.18 (f) The authority must:
- 281.19 (1) identify underserved markets for qualified projects in Minnesota, develop programs
281.20 to overcome market impediments, and provide access to financing to serve the projects and
281.21 underserved markets;
- 281.22 (2) except in cases of projects within identified disadvantaged communities, as determined
281.23 by the commissioner, that may limit an investment, strategically prioritize money to leverage
281.24 private investment in qualified projects, achieving a high ratio of private to public money
281.25 invested through funding mechanisms that support, enhance, and complement private
281.26 investment;
- 281.27 (3) coordinate with existing government- and utility-based programs to ensure (i) the
281.28 most effective use of the authority's resources, (ii) that financing terms and conditions
281.29 offered are well-suited to qualified projects, (iii) coordination of communication with respect
281.30 to all financing options under this section and other state and utility programs, and (iv) the
281.31 authority's activities add to and complement the efforts of state and utility partners;
- 281.32 (4) serve as an informational resource for contractors interested in installing qualified
281.33 projects by forming partnerships with and educating contractors regarding the authority's
282.1 financing programs and coordinating multiple contractors on projects that install multiple
282.2 qualifying technologies;
- 282.3 (5) develop innovative and inclusive marketing strategies to stimulate project owner
282.4 interest in targeted underserved markets;

- 282.5 (6) serve as a financial resource to reduce the up-front and total costs to borrowers;
- 282.6 (7) prioritize projects that maximize greenhouse gas emission reductions or address
- 282.7 disparities in access to clean energy projects for underserved communities;
- 282.8 (8) ensure that workers employed by contractors and subcontractors performing
- 282.9 construction work on projects over \$100,000, financed all or in part by the authority, are
- 282.10 paid wages not less than the prevailing wage on similar construction projects in the applicable
- 282.11 locality;
- 282.12 (9) develop rules, policies, and procedures specifying borrower eligibility and other
- 282.13 terms and conditions for financial support offered by the fund that must be met before
- 282.14 financing support is provided for any qualified clean energy project;
- 282.15 (10) develop and administer (i) policies to collect reasonable fees for authority services,
- 282.16 and (ii) risk management activities that are sufficient to support ongoing authority activities;
- 282.17 (11) subject to review by the department, develop and adopt a work plan to accomplish
- 282.18 all of the activities required of the authority and update the work plan on an annual basis;
- 282.19 (12) develop consumer protection standards governing the authority's investments to
- 282.20 ensure the authority and partners provide financial support in a responsible and transparent
- 282.21 manner that is in the financial interest of participating project owners and serves the defined
- 282.22 underserved markets and disadvantaged communities; or
- 282.23 (13) establish and maintain an online and mobile-access portal that provides access to
- 282.24 all authority programs and financial products, including rates, terms, and conditions of all
- 282.25 financing support programs, unless disclosure of the information constitutes a trade secret
- 282.26 or confidential commercial or financial information.
- 282.27 Subd. 3. **Additional department responsibilities.** In addition to the responsibilities
- 282.28 listed in this chapter, the department must:
- 282.29 (1) review consumer protection standards established by the authority; and
- 282.30 (2) provide standard state oversight to money appropriated under this section.
- 282.31 Subd. 4. **Additional authorized activities.** The authority is authorized to:
- 283.1 (1) engage in any activities of a Minnesota nonprofit corporation operating under chapter
- 283.2 317A;
- 283.3 (2) develop and employ financing methods to support qualified projects, including:
- 283.4 (i) credit enhancement mechanisms that reduce financial risk for private lenders by
- 283.5 providing assurance that a limited portion of a loan is assumed by the fund via a loan loss
- 283.6 reserve, loan guarantee, or other mechanism;

- 283.7 (ii) co-investment, where the fund invests directly in a clean energy project by providing
283.8 senior or subordinated debt, equity, or other mechanisms in conjunction with a private
283.9 financier's investment; and
- 283.10 (iii) serving as an aggregator of many small and geographically dispersed qualified
283.11 projects, where the authority may provide direct lending, investment, or other financial
283.12 support in order to diversify risk; and
- 283.13 (3) seek to qualify as a community development financial institution under United States
283.14 Code, title 12, section 4702, in which case the authority must be treated as a qualified
283.15 community development entity for the purposes of sections 45D and 1400(m) of the Internal
283.16 Revenue Code.
- 283.17 **Subd. 5. Advisory task force; membership.** (a) The Minnesota Innovation Finance
283.18 Authority Advisory Task Force is established and consists of 15 members as follows:
- 283.19 (1) the commissioner of commerce or the commissioner's designee, who serves as chair
283.20 of the advisory task force;
- 283.21 (2) the commissioner of employment and economic development or the commissioner's
283.22 designee;
- 283.23 (3) the commissioner of the Pollution Control Agency or the commissioner's designee;
- 283.24 (4) the commissioner of agriculture or the commissioner's designee;
- 283.25 (5) two additional members appointed by the governor;
- 283.26 (6) two additional members appointed by the speaker of the house;
- 283.27 (7) two additional members appointed by the president of the senate; and
- 283.28 (8) five members that have extensive life or work experience within economically
283.29 disadvantaged communities that the authority aims to serve, appointed by the governor and
283.30 the commissioners identified in clauses (1) to (4).
- 284.1 (b) The members appointed to the advisory task force under paragraph (a), clauses (6)
284.2 and (7), must have expertise in matters relating to energy conservation, clean energy,
284.3 economic development, banking, law, finance, or other matters relevant to the work of the
284.4 advisory task force.
- 284.5 (c) When appointing a member to the advisory task force, consideration must be given
284.6 to whether the advisory task force members collectively reflect the geographical and ethnic
284.7 diversity of Minnesota.
- 284.8 (d) Members of the advisory task force must abide by the conflict of interest provisions
284.9 in section 43A.38.

- 284.10 (e) In order to ensure participation, the commissioner may provide a nominal grant to
 284.11 any advisory task force member that demonstrates financial need in order to participate.
- 284.12 **Subd. 6. Report; audit.** Beginning February 1, 2024, the authority must annually submit
 284.13 a comprehensive report on the authority's activities for the previous fiscal year to the governor
 284.14 and the chairs and ranking minority members of the legislative committees with primary
 284.15 jurisdiction over energy policy. The report must contain, at a minimum, information on:
- 284.16 (1) the amount of authority capital invested, itemized by project type;
- 284.17 (2) the amount of private capital leveraged as a result of authority investments, itemized
 284.18 by project type;
- 284.19 (3) the number of qualified projects supported, itemized by project type and location
 284.20 within Minnesota;
- 284.21 (4) the estimated number of jobs created and tax revenue generated as a result of the
 284.22 authority's activities;
- 284.23 (5) the number of clean energy projects financed in low- and moderate-income
 284.24 households; and
- 284.25 (6) the authority's financial statements.
- 284.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 284.27 Sec. 13. **[216C.46] ENERGY ALLEY START-UP FUND.**
- 284.28 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
 284.29 the meanings given.
- 285.1 (b) "Decarbonization technology" means a technology whose implementation results in
 285.2 a reduction in statewide greenhouse gas emissions, as defined in section 216H.01, subdivision
 285.3 2.
- 285.4 (c) "Emerging energy technology" means carbon-reducing energy technologies, systems,
 285.5 or practices that are not yet at the commercialization stage.
- 285.6 (d) "Qualified equity business" means a minority-, women-, or veteran-owned business,
 285.7 as the terms are defined in section 116J.8737.
- 285.8 (e) "Qualified greater Minnesota business" means a business that is certified by the
 285.9 commissioner as a qualified small business and as a qualified greater Minnesota business
 285.10 under section 116J.8737, subdivision 2.
- 285.11 **Subd. 2. Establishment; purpose.** An energy alley start-up fund account is established
 285.12 in the Department of Commerce to provide loans and grants to qualified businesses to:

- 285.13 (1) promote the start-up, expansion, and attraction of emerging energy technologies and
285.14 businesses within Minnesota; and
- 285.15 (2) stimulate other innovative decarbonization technology projects that are capable of
285.16 being developed at a large scale.
- 285.17 Subd. 3. **Account established.** An energy alley start-up fund account is established in
285.18 the special revenue fund in the state treasury. Earnings, including interest, dividends, and
285.19 any other earnings arising from assets of the account, must be credited to the account.
285.20 Nonstate money obtained by the commissioner for the purposes of this section must be
285.21 credited to the account. The commissioner must manage the account. Money in the account
285.22 is appropriated to the commissioner for the purposes of this section and must be expended
285.23 only as provided in this section.
- 285.24 Subd. 4. **Nonstate contributions; influence prohibited.** (a) The commissioner must
285.25 ensure any nonstate money deposited in the account, and the sources of nonstate money,
285.26 have no influence over (1) awarding grants or loans, or (2) other activities conducted under
285.27 this section.
- 285.28 (b) The commissioner may retain no more than three percent annually of money credited
285.29 to the account for the department's administrative expenses.
- 285.30 Subd. 5. **Allocation of funds.** Money in the account must be allocated as follows:
- 285.31 (1) at least 50 percent to qualified greater Minnesota businesses or qualified equity
285.32 businesses;
- 286.1 (2) up to 65 percent to establish a low-interest loan fund and loan loss reserve;
- 286.2 (3) at least 35 percent to provide grants under this section.
- 286.3 Subd. 6. **Loans.** (a) Loan recipients must repay loan amounts awarded under this section
286.4 by the end of the loan term. Loan repayment amounts must be credited to the account. The
286.5 department may use up to ten percent of the low-interest land funds or 6.5 percent of total
286.6 money available, whichever is greater, under this section to: (1) establish a loan loss reserve
286.7 in order to leverage additional investments; (2) ensure funding for emerging, innovative
286.8 energy products; and (3) ensure accessibility by small businesses.
- 286.9 (b) No loans may be awarded under this section after June 30, 2025.
- 286.10 Subd. 7. **Application process.** (a) An application for a grant or loan under this section
286.11 must be made to the commissioner on a form developed by the commissioner.
- 286.12 (b) An application made under this section must be evaluated by the investment committee
286.13 established under subdivision 10.
- 286.14 (c) The commissioner must develop administrative procedures necessary to implement
286.15 this section.

- 286.16 Subd. 8. **Grant awards; limitations.** (a) The commissioner must award grants under
286.17 this section to eligible applicants through a competitive process.
- 286.18 (b) An eligible entity must be (1) located in Minnesota, or (2) able to demonstrate how
286.19 the grant directly and significantly benefits Minnesotans in a manner that meets criteria
286.20 established by the commissioner.
- 286.21 Subd. 9. **Technical advisory committee; membership.** (a) The commissioner must
286.22 establish and appoint members to the technical advisory committee to assist in the
286.23 development of criteria governing the award of grants under this section. The technical
286.24 advisory committee must have expertise in energy research and development, energy
286.25 conservation, clean energy technology development, economic development, or energy
286.26 project financing.
- 286.27 (b) The commissioner must appoint members to the technical advisory committee who
286.28 collectively reflect the geographic and ethnic diversity of Minnesota.
- 286.29 (c) Members of the technical advisory committee must comply with the conflicts of
286.30 interest provisions under section 43A.38.
- 286.31 Subd. 10. **Investment committee; duties; membership.** (a) The commissioner, in
286.32 consultation with the commissioner of employment and economic development, must
287.1 establish and appoint members to an investment committee to review and recommend
287.2 applications for grant and loan awards under this section.
- 287.3 (b) The investment committee must consist of seven members with expertise and
287.4 experience in investments and finance. The commissioner or the commissioner's designee,
287.5 and the commissioner of employment and economic development or the commissioner of
287.6 employment and economic development's designee, must serve as members of the investment
287.7 committee. The commissioner or the commissioner's designee serves as chair of the
287.8 investment committee.
- 287.9 (c) The commissioner must appoint members of the investment committee who
287.10 collectively reflect the geographic and ethnic diversity of Minnesota.
- 287.11 (d) Members of the investment committee must comply with the conflicts of interest
287.12 provisions under section 43A.38. Entities represented by members of the investment
287.13 committee are ineligible to receive grants under this section.
- 287.14 Subd. 11. **Annual report; audit.** On or before February 15, 2024, and by February 15
287.15 each year thereafter, the commissioner must report on the activities of the fund for the
287.16 preceding calendar year to the chairs and ranking minority members of the senate and house
287.17 of representatives committees with jurisdiction over energy finance and policy and economic
287.18 development finance. The report must include but is not limited to information specifying:
- 287.19 (1) the number of applications for funding received;

- 287.20 (2) the number of applications selected for grants and loans;
- 287.21 (3) the total amount of grants and loans issued in the previous year and to date, itemized
- 287.22 by project type; and
- 287.23 (4) a complete operating and financial statement covering the fund's operations for the
- 287.24 preceding year.
- 287.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 287.26 Sec. 14. **[216C.47] GRANTS FOR RENEWABLE INTEGRATION AND**
- 287.27 **DEMONSTRATION.**
- 287.28 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
- 287.29 the meanings given.
- 287.30 (b) "Grid modernization" means:
- 287.31 (1) enhancing electric grid service quality and reliability;
- 288.1 (2) improving the security of the electric grid and critical infrastructure against
- 288.2 cyberthreats and physical threats; and
- 288.3 (3) increasing energy conservation opportunities by facilitating communication between
- 288.4 the utility and the utility's customers through the use of two-way meters, control technologies,
- 288.5 energy storage and microgrids, technologies that enable demand flexibility, and other
- 288.6 innovative technologies.
- 288.7 (c) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1,
- 288.8 paragraph (c).
- 288.9 Subd. 2. **Establishment; purpose.** A grants for renewable integration and demonstration
- 288.10 program is established in the department. The purpose of the program is to provide grants
- 288.11 for projects to:
- 288.12 (1) stimulate research, deployment, and grid integration of renewable electric energy
- 288.13 technologies;
- 288.14 (2) encourage grid modernization, including but not limited to projects that implement
- 288.15 electricity storage, generation control, load control, and smart meter technology; and
- 288.16 (3) stimulate other innovative energy projects that (i) reduce demand, and (ii) increase
- 288.17 system efficiency and flexibility to benefit customers of the utility that owns nuclear
- 288.18 generating units in Minnesota.
- 288.19 Subd. 3. **Program account.** A grants for renewable integration and demonstration
- 288.20 program account is established as a separate account in the special revenue fund in the state
- 288.21 treasury.

- 288.22 Subd. 4. **Expenditures.** Money in the account may be used only:
- 288.23 (1) for grant awards made under this section;
- 288.24 (2) for costs to procure technical evaluation services; and
- 288.25 (3) to pay reasonable costs incurred by the department to administer this section.
- 288.26 Subd. 5. **Eligibility.** The commissioner must determine whether a project is eligible for
- 288.27 a grant under this section. When evaluating a project for approval, the commissioner must
- 288.28 consider:
- 288.29 (1) diversity, equity, and inclusion;
- 288.30 (2) greenhouse gas emissions;
- 288.31 (3) resiliency value;
- 289.1 (4) grid security;
- 289.2 (5) jobs and economic development; and
- 289.3 (6) other potential benefits to Minnesota citizens and businesses, ratepayers receiving
- 289.4 electric service from the utility that owns a nuclear-powered electric generating plant in
- 289.5 Minnesota, the Prairie Island Indian community, or Prairie Island Indian community
- 289.6 members.
- 289.7 Subd. 6. **Reporting.** (a) A project that receives money from a grant approved under this
- 289.8 section must produce a written final report that includes sufficient detail for technical readers
- 289.9 and a clearly written summary for nontechnical readers. The report must include an evaluation
- 289.10 of the project's financial, environmental, and other benefits to Minnesota and the public
- 289.11 utility's ratepayers.
- 289.12 (b) Final reports, any project status reports, and grants for renewable integration and
- 289.13 demonstration program balances must be posted on a public website designated by the
- 289.14 commissioner.
- 289.15 (c) All final reports must acknowledge that the project was made possible in whole or
- 289.16 part by the Minnesota renewable development account, noting that the account is financed
- 289.17 by the public utility's ratepayers.
- 289.18 (d) By February 15 each year, the commissioner must report to the chairs and ranking
- 289.19 minority members of the legislative committees with primary jurisdiction over energy
- 289.20 regarding: (1) grants issued under this section during the previous calendar year; and (2)
- 289.21 any remaining balance available under this section.
- 289.22 Subd. 7. **Gifts; grants; donations.** The program may accept gifts and grants on behalf
- 289.23 of the state that constitute donations to the state. Money received under this subdivision is
- 289.24 appropriated to the commissioner of commerce to support the program under this section.

289.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

289.26 Sec. 15. Minnesota Statutes 2020, section 216E.03, subdivision 7, is amended to read:

289.27 Subd. 7. **Considerations in designating sites and routes.** (a) The commission's site
289.28 and route permit determinations must be guided by the state's goals to conserve resources,
289.29 minimize environmental impacts, minimize human settlement and other land use conflicts,
289.30 and ensure the state's electric energy security through efficient, cost-effective power supply
289.31 and electric transmission infrastructure.

290.1 (b) To facilitate the study, research, evaluation, and designation of sites and routes, the
290.2 commission shall be guided by, but not limited to, the following considerations:

290.3 (1) evaluation of research and investigations relating to the effects on land, water and
290.4 air resources of large electric power generating plants and high-voltage transmission lines
290.5 and the effects of water and air discharges and electric and magnetic fields resulting from
290.6 such facilities on public health and welfare, vegetation, animals, materials and aesthetic
290.7 values, including baseline studies, predictive modeling, and evaluation of new or improved
290.8 methods for minimizing adverse impacts of water and air discharges and other matters
290.9 pertaining to the effects of power plants on the water and air environment;

290.10 (2) environmental evaluation of sites and routes proposed for future development and
290.11 expansion and their relationship to the land, water, air and human resources of the state;

290.12 (3) evaluation of the effects of new electric power generation and transmission
290.13 technologies and systems related to power plants designed to minimize adverse environmental
290.14 effects;

290.15 (4) evaluation of the potential for beneficial uses of waste energy from proposed large
290.16 electric power generating plants;

290.17 (5) analysis of the direct and indirect economic impact of proposed sites and routes
290.18 including, but not limited to, productive agricultural land lost or impaired;

290.19 (6) evaluation of adverse direct and indirect environmental effects that cannot be avoided
290.20 should the proposed site and route be accepted;

290.21 (7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant
290.22 to subdivisions 1 and 2;

290.23 (8) evaluation of potential routes that would use or parallel existing railroad and highway
290.24 rights-of-way;

290.25 (9) evaluation of governmental survey lines and other natural division lines of agricultural
290.26 land so as to minimize interference with agricultural operations;

290.27 (10) evaluation of the future needs for additional high-voltage transmission lines in the
290.28 same general area as any proposed route, and the advisability of ordering the construction

- 290.29 of structures capable of expansion in transmission capacity through multiple circuiting or
290.30 design modifications;
- 290.31 (11) evaluation of irreversible and irretrievable commitments of resources should the
290.32 proposed site or route be approved; ~~and~~
- 291.1 (12) when appropriate, consideration of problems raised by other state and federal
291.2 agencies and local entities;
- 291.3 (13) evaluation of the benefits of the proposed facility with respect to protecting and
291.4 enhancing environmental quality, and to the reliability of state and regional energy supplies;
- 291.5 (14) evaluation of the proposed facility's impact on socioeconomic factors; and
- 291.6 (15) evaluation of the proposed facility's employment and economic impacts in the
291.7 vicinity of the facility site and throughout the state, including the quantity and quality of
291.8 construction and permanent jobs and the jobs' compensation levels. The commission must
291.9 consider a facility's local employment and economic impacts, and may reject or place
291.10 conditions on a site or route permit based on the factors under this clause.
- 291.11 (c) If the commission's rules are substantially similar to existing regulations of a federal
291.12 agency to which the utility in the state is subject, the federal regulations must be applied by
291.13 the commission.
- 291.14 (d) No site or route shall be designated which violates state agency rules.
- 291.15 (e) The commission must make specific findings that it has considered locating a route
291.16 for a high-voltage transmission line on an existing high-voltage transmission route and the
291.17 use of parallel existing highway right-of-way and, to the extent those are not used for the
291.18 route, the commission must state the reasons.
- 291.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 291.20 Sec. 16. Minnesota Statutes 2020, section 216E.03, subdivision 10, is amended to read:
- 291.21 Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site
291.22 selection standards and criteria established in this section and in rules adopted by the
291.23 commission. When the commission designates a site, it shall issue a site permit to the
291.24 applicant with any appropriate conditions. The commission shall publish a notice of its
291.25 decision in the State Register within 30 days of issuance of the site permit.
- 291.26 (b) No route permit shall be issued in violation of the route selection standards and
291.27 criteria established in this section and in rules adopted by the commission. When the
291.28 commission designates a route, it shall issue a permit for the construction of a high-voltage
291.29 transmission line specifying the design, routing, right-of-way preparation, and facility
291.30 construction it deems necessary, and with any other appropriate conditions. The commission
291.31 may order the construction of high-voltage transmission line facilities that are capable of
291.32 expansion in transmission capacity through multiple circuiting or design modifications. The

292.1 commission shall publish a notice of its decision in the State Register within 30 days of
292.2 issuance of the permit.

292.3 (c) No site permit may be issued under this chapter for a large electric power generating
292.4 plant, including the modification of a site permit for a repowering project, as defined in
292.5 section 216B.243, subdivision 8, paragraph (b), unless the applicant certifies to the
292.6 commission in writing that all employees who perform construction work on the large
292.7 electric power generating plant, including the employees of contractors and subcontractors,
292.8 are paid no less than the prevailing wage, as defined in section 177.42.

292.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
292.10 applies to a site permit, or the modification of a site permit for a repowering project, whose
292.11 application is filed with the commission on or after that date.

292.12 Sec. 17. Minnesota Statutes 2020, section 216F.04, is amended to read:

292.13 **216F.04 SITE PERMIT.**

292.14 (a) No person may construct an LWECs without a site permit issued by the Public
292.15 Utilities Commission.

292.16 (b) Any person seeking to construct an LWECs shall submit an application to the
292.17 commission for a site permit in accordance with this chapter and any rules adopted by the
292.18 commission. The permitted site need not be contiguous land.

292.19 (c) The commission shall make a final decision on an application for a site permit for
292.20 an LWECs within 180 days after acceptance of a complete application by the commission.
292.21 The commission may extend this deadline for cause.

292.22 (d) The commission may place conditions in a permit and may deny, modify, suspend,
292.23 or revoke a permit.

292.24 (e) No site permit may be issued for an LWECs with a combined nameplate capacity
292.25 of 25,000 kilowatts or more under this chapter, including the modification of a site permit
292.26 for a repowering project, as defined in section 216B.243, subdivision 8, paragraph (b),
292.27 unless the applicant certifies in writing to the commission that all employees who perform
292.28 construction work on the LWECs, including the employees of contractors and subcontractors,
292.29 are paid no less than the prevailing wage, as defined in section 177.42.

292.30 **EFFECTIVE DATE.** This section is effective the day following final enactment and
292.31 applies to a site permit, or the modification of a site permit for a repowering project, whose
292.32 application is filed with the commission on or after that date.

293.1

ARTICLE 25

293.2

GREENHOUSE GAS EMISSIONS

293.3

Section 1. Minnesota Statutes 2020, section 216B.2422, subdivision 3, is amended to read:

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Subd. 3. **Environmental costs.** (a) The commission shall, ~~to the extent practicable using~~ the best available scientific and economic information and data, quantify and establish a range of environmental costs associated with each method of electricity generation. The commission must (1) adopt and apply the interim cost of greenhouse gas emissions valuations presented in Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates, released by the federal government in February 2021, adopting the 300-year time horizon and the full range of discount rates from 2.5 to five percent, with three percent as the central estimate; and (2) update the parameters as necessary to conform with updates released by the federal Interagency Working Group on the Social Cost of Greenhouse Gases, or the working group's successors, that are above the February 2021 interim valuations.

(b) ~~When evaluating and selecting resource options in all proceedings before the commission, including but not limited to proceedings regarding power purchase agreements, resource plans, and certificates of need, a utility shall must use the values established by the commission in conjunction with other external factors, including socioeconomic costs, when evaluating and selecting resource options in all proceedings before the commission, including resource plan and certificate of need proceedings;~~ under this subdivision to quantify and monetize greenhouse gas and other emissions from the full lifecycle of fuels used for in-state or imported electricity generation, including extraction, processing, transport, and combustion.

(c) ~~When evaluating resource options, the commission must include and consider the environmental cost values adopted under this subdivision. When considering the costs of a nonrenewable energy facility under this section, the commission must consider only nonzero values for the environmental costs analyzed under this subdivision, including both the low and high values of any cost range adopted by the commission.~~

~~(b) The commission shall establish interim environmental cost values associated with each method of electricity generation by March 1, 1994. These values expire on the date the commission establishes environmental cost values under paragraph (a).~~

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to dockets initiated at the Public Utilities Commission on or after that date.

28.14 Sec. 22. [216H.022] CARBON CAPTURE AND SEQUESTRATION; STATE
28.15 POLICY.

28.16 It is the policy of the state to support the development and deployment of carbon capture
28.17 and sequestration technologies in Minnesota that demonstrate at least an 80 percent capability
28.18 of carbon capture as a method of reducing greenhouse gas emissions in order to achieve the

- 28.19 state greenhouse gas emission-reduction goals established under section 216H.02, subdivision
 28.20 1.
 28.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

- 294.1 **Sec. 2. BUY CLEAN TASK FORCE.**
- 294.2 (a) No later than June 30, 2022, the commissioners of administration and transportation
 294.3 must establish an environmental standards procurement task force to examine issues
 294.4 surrounding the implementation of a program requiring vendors of certain construction
 294.5 materials purchased by the state to:
- 294.6 (1) submit environmental product declarations that assess the lifecycle environmental
 294.7 impacts of the construction materials to state officials as part of the procurement process;
 294.8 and
- 294.9 (2) meet standards established by the commissioner of administration that limit
 294.10 greenhouse gas emissions impacts of the construction materials.
- 294.11 (b) The task force must examine, at a minimum, the following issues:
- 294.12 (1) which construction materials should be subject to the program requirements;
 294.13 (2) what factors should be considered in establishing greenhouse gas emissions standards;
 294.14 (3) a schedule to develop standards for specific materials and incorporate the standards
 294.15 into the purchasing process;
- 294.16 (4) the development and use of financial incentives to reward vendors for developing
 294.17 products whose greenhouse gas emissions are below the standards;
- 294.18 (5) the provision of grants to defer a vendor's cost to obtain environmental product
 294.19 declarations;
- 294.20 (6) how the issues in clauses (1) to (5) are addressed by existing programs in other states
 294.21 and countries; and
- 294.22 (7) any other issues the task force deems relevant.
- 294.23 (c) The advisory committee must include two members of the house of representatives
 294.24 appointed by the speaker of the house of representatives and two members of the senate
 294.25 appointed by the senate majority leader. The commissioners of administration and
 294.26 transportation must appoint additional members of the advisory committee, who must include
 294.27 but may not be limited to representatives of:
- 294.28 (1) the Departments of Administration and Transportation;
 294.29 (2) the Center for Sustainable Building Research at the University of Minnesota;

- 294.30 (3) manufacturers of eligible materials;
- 294.31 (4) suppliers of eligible materials;
- 295.1 (5) building and transportation construction firms;
- 295.2 (6) organized labor in the construction trades;
- 295.3 (7) organized labor representing materials manufacturing workers; and
- 295.4 (8) environmental advocacy organizations.
- 295.5 (d) The Department of Administration must provide meeting space and serve as staff to
295.6 the advisory committee.
- 295.7 (e) The commissioner of administration, or the commissioner's designee, shall serve as
295.8 chair of the advisory committee. The advisory committee must meet at least four times
295.9 annually and must convene additional meetings at the call of the chair.
- 295.10 (f) The commissioner of administration must summarize the findings and
295.11 recommendations of the task force in a report submitted to the chairs and ranking minority
295.12 members of the senate and house of representatives committees with primary jurisdiction
295.13 over state government, transportation, and energy no later than January 1, 2023.
- 295.14 (g) The advisory committee is subject to section 15.059, subdivision 6.
- 295.15 (h) For the purposes of this section, "environmental product declaration" means a
295.16 supply-chain-specific type III environmental product declaration that:
- 295.17 (1) contains a lifecycle assessment of the environmental impacts of manufacturing a
295.18 specific product by a specific firm, including the impacts of extracting and producing the
295.19 raw materials and components that compose the product;
- 295.20 (2) is verified and registered by a third party; and
- 295.21 (3) meets the ISO 14025 standard developed and maintained by the International
295.22 Organization for Standardization (ISO).
- 295.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 295.24 **Sec. 3. LOCAL CLIMATE ACTION GRANT PROGRAM.**
- 295.25 **Subdivision 1. Definitions.** For the purpose of this section, the following terms have
295.26 the meanings given:
- 295.27 (1) "climate change" means a change in global or regional climate patterns associated
295.28 with increased levels of greenhouse gas emissions entering the atmosphere largely as a
295.29 result of human activity;
- 295.30 (2) "commissioner" means the commissioner of the Pollution Control Agency;

- 296.1 (3) "greenhouse gas emission" means an emission of carbon dioxide, methane, nitrous
296.2 oxide, chlorofluorocarbons, hydrofluorocarbons, sulfur hexafluoride, and other gases that
296.3 trap heat in the atmosphere; and
- 296.4 (4) "political subdivision" means a county, home rule charter or statutory city, town, or
296.5 school district.
- 296.6 Subd. 2. **Establishment.** The commissioner must establish a local climate action grant
296.7 program in the Pollution Control Agency. The purpose of the program is to provide grants
296.8 to encourage political subdivisions to address climate change by developing and
296.9 implementing plans of action or creating new organizations and institutions to devise policies
296.10 and programs that:
- 296.11 (1) seek to mitigate the impacts of climate change on the political subdivision; or
296.12 (2) reduce the political subdivision's contributions to the causes of climate change.
- 296.13 Subd. 3. **Application.** (a) Application for a grant under this section must be made to the
296.14 commissioner on a form developed by the commissioner. The commissioner must develop
296.15 procedures to (1) solicit and review applications, and (2) award grants under this section.
- 296.16 (b) Eligible applicants for a grant under this section must be located in or conduct the
296.17 preponderance of the applicant's work in the locality where the grant activities are to take
296.18 place. Eligible applicants include political subdivisions, organizations that are exempt from
296.19 taxation under section 501(c)(3) of the Internal Revenue Code, and educational institutions.
- 296.20 Subd. 4. **Awarding grants.** When awarding grants under this section, the commissioner
296.21 must give preference to proposals that seek to involve a broad array of community residents,
296.22 organizations, and institutions in the political subdivision's efforts to address climate change.
- 296.23 Subd. 5. **Grant amounts.** (a) A grant awarded under this section must not exceed
296.24 \$50,000.
- 296.25 (b) A grant awarded under this section for activities taking place at a county-wide level
296.26 or in a city or town with a population that exceeds 20,000 must be matched 100 percent
296.27 with local funding.
- 296.28 (c) A grant awarded under this section for activities taking place in a city or town with
296.29 a population that is less than 20,000 or in a school district must be matched a minimum of
296.30 five percent with local funding or equivalent in-kind services.
- 296.31 Subd. 6. **Eligible expenditures.** Appropriations made to support the activities of this
296.32 section may be used only to:
- 297.1 (1) provide grants under this section; and
- 297.2 (2) reimburse the reasonable expenses incurred by the Pollution Control Agency to
297.3 administer the grant program.

1.26 Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

1.27 Subdivision 1. **Renewable development account.** (a) The renewable development
1.28 account is established as a separate account in the special revenue fund in the state treasury.
1.29 Appropriations and transfers to the account shall be credited to the account. Earnings, such
1.30 as interest, dividends, and any other earnings arising from assets of the account, shall be
2.1 credited to the account. Funds remaining in the account at the end of a fiscal year are not
2.2 canceled to the general fund but remain in the account until expended. The account shall
2.3 be administered by the commissioner of management and budget as provided under this
2.4 section.

2.5 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
2.6 plant must transfer all funds in the renewable development account previously established
2.7 under this subdivision and managed by the public utility to the renewable development
2.8 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
2.9 that have not yet been expended and unencumbered funds required to be paid in calendar
2.10 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
2.11 to transfer under this paragraph.

2.12 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
2.13 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
2.14 plant must transfer to the renewable development account \$500,000 each year for each dry
2.15 cask containing spent fuel that is located at the Prairie Island power plant for each year the
2.16 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
2.17 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
2.18 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
2.19 part of a year.

2.20 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
2.21 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
2.22 plant must transfer to the renewable development account \$350,000 each year for each dry
2.23 cask containing spent fuel that is located at the Monticello nuclear power plant for each
2.24 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
2.25 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
2.26 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
2.27 any part of a year.

2.28 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
2.29 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
2.30 under paragraphs (f) ~~and~~ (g), and (m), and sections 116C.7792 and 216C.41, for that calendar
2.31 year.

297.4 EFFECTIVE DATE. This section is effective the day following final enactment.

297.5

ARTICLE 26

297.6

MISCELLANEOUS

297.7 Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

297.8 Subdivision 1. **Renewable development account.** (a) The renewable development
297.9 account is established as a separate account in the special revenue fund in the state treasury.
297.10 Appropriations and transfers to the account shall be credited to the account. Earnings, such
297.11 as interest, dividends, and any other earnings arising from assets of the account, shall be
297.12 credited to the account. Funds remaining in the account at the end of a fiscal year are not
297.13 canceled to the general fund but remain in the account until expended. The account shall
297.14 be administered by the commissioner of management and budget as provided under this
297.15 section.

297.16 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
297.17 plant must transfer all funds in the renewable development account previously established
297.18 under this subdivision and managed by the public utility to the renewable development
297.19 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
297.20 that have not yet been expended and unencumbered funds required to be paid in calendar
297.21 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
297.22 to transfer under this paragraph.

297.23 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
297.24 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
297.25 plant must transfer to the renewable development account \$500,000 each year for each dry
297.26 cask containing spent fuel that is located at the Prairie Island power plant for each year the
297.27 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
297.28 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
297.29 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
297.30 part of a year.

297.31 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
297.32 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
297.33 plant must transfer to the renewable development account \$350,000 each year for each dry
298.1 cask containing spent fuel that is located at the Monticello nuclear power plant for each
298.2 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
298.3 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
298.4 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
298.5 any part of a year.

298.6 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
298.7 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
298.8 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

2.32 (f) If the commission approves a new or amended power purchase agreement, the
 2.33 termination of a power purchase agreement, or the purchase and closure of a facility under
 2.34 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
 3.1 the public utility subject to this section shall enter into a contract with the city in which the
 3.2 poultry litter plant is located to provide grants to the city for the purposes of economic
 3.3 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
 3.4 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
 3.5 by the public utility from funds withheld from the transfer to the renewable development
 3.6 account, as provided in paragraphs (b) and (e).

3.7 (g) If the commission approves a new or amended power purchase agreement, or the
 3.8 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
 3.9 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
 3.10 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
 3.11 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
 3.12 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
 3.13 30 days after the commission approves the new or amended power purchase agreement, or
 3.14 the termination of the power purchase agreement, and on each June 1 thereafter through
 3.15 2021, to assist the transition required by the new, amended, or terminated power purchase
 3.16 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
 3.17 to the renewable development account as provided in paragraphs (b) and (e).

3.18 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
 3.19 and (g) is limited to the amount deposited into the renewable development account, and its
 3.20 predecessor, the renewable development account, established under this section, that was
 3.21 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
 3.22 10.

3.23 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
 3.24 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued
 3.25 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
 3.26 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
 3.27 in which the commission finds, by the preponderance of the evidence, that the public utility
 3.28 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
 3.29 permanent or interim storage site out of the state. This determination shall be made at least
 3.30 every two years.

3.31 (j) Funds in the account may be expended only for any of the following purposes:

3.32 (1) to stimulate research and development of renewable electric energy technologies;

3.33 (2) to encourage grid modernization, including, but not limited to, projects that implement
 3.34 electricity storage, load control, and smart meter technology; and

4.1 (3) to stimulate other innovative energy projects that reduce demand and increase system
 4.2 efficiency and flexibility.

298.9 (f) If the commission approves a new or amended power purchase agreement, the
 298.10 termination of a power purchase agreement, or the purchase and closure of a facility under
 298.11 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
 298.12 the public utility subject to this section shall enter into a contract with the city in which the
 298.13 poultry litter plant is located to provide grants to the city for the purposes of economic
 298.14 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
 298.15 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
 298.16 by the public utility from funds withheld from the transfer to the renewable development
 298.17 account, as provided in paragraphs (b) and (e).

298.18 (g) If the commission approves a new or amended power purchase agreement, or the
 298.19 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
 298.20 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
 298.21 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
 298.22 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
 298.23 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
 298.24 30 days after the commission approves the new or amended power purchase agreement, or
 298.25 the termination of the power purchase agreement, and on each June 1 thereafter through
 298.26 2021, to assist the transition required by the new, amended, or terminated power purchase
 298.27 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
 298.28 to the renewable development account as provided in paragraphs (b) and (e).

298.29 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
 298.30 and (g) is limited to the amount deposited into the renewable development account, and its
 298.31 predecessor, the renewable development account, established under this section, that was
 298.32 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
 298.33 10.

299.1 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
 299.2 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued
 299.3 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
 299.4 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
 299.5 in which the commission finds, by the preponderance of the evidence, that the public utility
 299.6 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
 299.7 permanent or interim storage site out of the state. This determination shall be made at least
 299.8 every two years.

299.9 (j) Funds in the account may be expended only for any of the following purposes:

299.10 (1) to stimulate research and development of renewable electric energy technologies;

299.11 (2) to encourage grid modernization, including, but not limited to, projects that implement
 299.12 electricity storage, load control, and smart meter technology; and

299.13 (3) to stimulate other innovative energy projects that reduce demand and increase system
 299.14 efficiency and flexibility.

4.3 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
 4.4 from the utility that owns a nuclear-powered electric generating plant in this state or the
 4.5 Prairie Island Indian community or its members.

4.6 The utility that owns a nuclear generating plant is eligible to apply for grants under this
 4.7 subdivision.

4.8 (k) For the purposes of paragraph (j), the following terms have the meanings given:

4.9 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
 4.10 (c), clauses (1), (2), (4), and (5); and

4.11 (2) "grid modernization" means:

4.12 (i) enhancing the reliability of the electrical grid;

4.13 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
 4.14 and

4.15 (iii) increasing energy conservation opportunities by facilitating communication between
 4.16 the utility and its customers through the use of two-way meters, control technologies, energy
 4.17 storage and microgrids, technologies to enable demand response, and other innovative
 4.18 technologies.

4.19 (l) A renewable development account advisory group that includes, among others,
 4.20 representatives of the public utility and its ratepayers, and includes at least one representative
 4.21 of the Prairie Island Indian community appointed by that community's tribal council, shall
 4.22 develop recommendations on account expenditures. Except as otherwise provided herein,
 4.23 members of the advisory group shall be chosen by the public utility. The public utility may
 4.24 design a request for proposal in conjunction with the advisory group. The advisory group
 4.25 must design a request for proposal and evaluate projects submitted in response to a request
 4.26 for proposals. The advisory group must utilize an independent third-party expert to evaluate
 4.27 proposals submitted in response to a request for proposal, including all proposals made by
 4.28 the public utility. A request for proposal for research and development under paragraph (j),
 4.29 clause (1), may be limited to or include a request to higher education institutions located in
 4.30 Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for
 4.31 multiple projects may include a provision that exempts the projects from the third-party
 4.32 expert review and instead provides for project evaluation and selection by a merit peer
 4.33 review grant system. In the process of determining request for proposal scope and subject
 5.1 and in evaluating responses to request for proposals, the advisory group must strongly
 5.2 consider, where reasonable, potential benefit to Minnesota citizens and businesses and the
 5.3 utility's ratepayers.

5.4 (m) The cost of acquiring the services of the independent third-party expert described
 5.5 in paragraph (l) and any other costs incurred in administering the advisory group and its

299.15 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
 299.16 from the utility that owns a nuclear-powered electric generating plant in this state or the
 299.17 Prairie Island Indian community or its members.

299.18 The utility that owns a nuclear generating plant is eligible to apply for grants under this
 299.19 subdivision.

299.20 (k) For the purposes of paragraph (j), the following terms have the meanings given:

299.21 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
 299.22 (c), clauses (1), (2), (4), and (5); and

299.23 (2) "grid modernization" means:

299.24 (i) enhancing the reliability of the electrical grid;

299.25 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
 299.26 and

299.27 (iii) increasing energy conservation opportunities by facilitating communication between
 299.28 the utility and its customers through the use of two-way meters, control technologies, energy
 299.29 storage and microgrids, technologies to enable demand response, and other innovative
 299.30 technologies.

299.31 (l) A renewable development account advisory group that includes, among others,
 299.32 representatives of the public utility and its ratepayers, and includes at least one representative
 300.1 of the Prairie Island Indian community appointed by that community's Tribal council, shall
 300.2 develop recommendations on account expenditures. The advisory group must design a
 300.3 request for proposal and evaluate projects submitted in response to a request for proposals.
 300.4 The advisory group must utilize an independent third-party expert to evaluate proposals
 300.5 submitted in response to a request for proposal, including all proposals made by the public
 300.6 utility. A request for proposal for research and development under paragraph (j), clause (1),
 300.7 may be limited to or include a request to higher education institutions located in Minnesota
 300.8 for multiple projects authorized under paragraph (j), clause (1). The request for multiple
 300.9 projects may include a provision that exempts the projects from the third-party expert review
 300.10 and instead provides for project evaluation and selection by a merit peer review grant system.
 300.11 In the process of determining request for proposal scope and subject and in evaluating
 300.12 responses to request for proposals, the advisory group must strongly consider, where
 300.13 reasonable;

300.14 (1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers;
 300.15 and

5.6 actions as required by this section, not to exceed \$150,000, shall be paid from funds withheld
 5.7 by the public utility under paragraph (e).

5.8 ~~(n)~~ (n) The advisory group shall submit funding recommendations to the public utility,
 5.9 which has full and sole authority to determine which expenditures shall be submitted by
 5.10 ~~the advisory group to the legislature commission.~~ The commission may approve proposed
 5.11 expenditures, may disapprove proposed expenditures that it finds not to be in compliance
 5.12 with this subdivision or otherwise not in the public interest, and may, if agreed to by the
 5.13 public utility, modify proposed expenditures. The commission shall, by order, submit its
 5.14 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (o).

5.15 ~~(o)~~ (o) The commission shall present its recommended appropriations from the account
 5.16 to the senate and house of representatives committees with jurisdiction over energy policy
 5.17 and finance annually by February 15. Expenditures from the account must be appropriated
 5.18 by law. In enacting appropriations from the account, the legislature:

5.19 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
 5.20 a project recommended by the commission; and

5.21 (2) may not appropriate money for a project the commission has not recommended
 5.22 funding.

5.23 ~~(p)~~ (p) A request for proposal for renewable energy generation projects must, when
 5.24 feasible and reasonable, give preference to projects that are most cost-effective for a particular
 5.25 energy source.

5.26 ~~(q)~~ (q) The ~~advisory group~~ public utility must annually, by February 15, report to the
 5.27 chairs and ranking minority members of the legislative committees with jurisdiction over
 5.28 energy policy on projects funded by the account for the prior year and all previous years.
 5.29 The report must, to the extent possible and reasonable, itemize the actual and projected
 5.30 financial benefit to the public utility's ratepayers of each project.

5.31 ~~(r)~~ (r) By February 1, 2018, and each February 1 thereafter, the commissioner of
 5.32 management and budget shall submit a written report regarding the availability of funds in
 5.33 and obligations of the account to the chairs and ranking minority members of the senate
 6.1 and house committees with jurisdiction over energy policy and finance, the public utility,
 6.2 and the advisory group.

6.3 ~~(s)~~ (s) A project receiving funds from the account must produce a written final report
 6.4 that includes sufficient detail for technical readers and a clearly written summary for

300.16 (2) the proposer's commitment to increasing the diversity of the proposer's workforce
 300.17 and vendors.

300.18 (m) The advisory group shall submit funding recommendations to the public utility,
 300.19 which has full and sole authority to determine which expenditures shall be submitted by
 300.20 the advisory group to the legislature. The commission may approve proposed expenditures,
 300.21 may disapprove proposed expenditures that it finds not to be in compliance with this
 300.22 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,
 300.23 modify proposed expenditures. The commission shall, by order, submit its funding
 300.24 recommendations to the legislature as provided under paragraph (n).

300.25 (n) The commission shall present its recommended appropriations from the account to
 300.26 the senate and house of representatives committees with jurisdiction over energy policy and
 300.27 finance annually by February 15 following any year in which the commission has acted on
 300.28 recommendations submitted by the advisory group and the public utility. Expenditures from
 300.29 the account must be appropriated by law. In enacting appropriations from the account, the
 300.30 legislature:

300.31 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
 300.32 a project recommended by the commission; and

300.33 (2) may not appropriate money for a project the commission has not recommended
 300.34 funding.

301.1 (o) A request for proposal for renewable energy generation projects must, when feasible
 301.2 and reasonable, give preference to projects that are most cost-effective for a particular energy
 301.3 source.

301.4 (p) The advisory group must annually, by February 15, report to the chairs and ranking
 301.5 minority members of the legislative committees with jurisdiction over energy policy on
 301.6 projects funded by the account for the prior year and all previous years. The report must,
 301.7 to the extent possible and reasonable, itemize the actual and projected financial benefit to
 301.8 the public utility's ratepayers of each project.

301.9 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of
 301.10 management and budget shall submit a written report regarding the availability of funds in

6.5 nontechnical readers. The report must include an evaluation of the project's financial,
6.6 environmental, and other benefits to the state and the public utility's ratepayers.

6.7 ~~(s)~~ (t) Final reports, any mid-project status reports, and renewable development account
6.8 financial reports must be posted online on a public website designated by the commissioner
6.9 of commerce.

6.10 ~~(t)~~ (u) All final reports must acknowledge that the project was made possible in whole
6.11 or part by the Minnesota renewable development account, noting that the account is financed
6.12 by the public utility's ratepayers.

6.13 ~~(u)~~ (v) Of the amount in the renewable development account, priority must be given to
6.14 making the payments required under section 216C.417.

8.12 Sec. 5. Minnesota Statutes 2020, section 216B.096, subdivision 11, is amended to read:

8.13 Subd. 11. **Reporting.** Annually on ~~November 1~~ October 15, a utility must electronically
8.14 file with the commission a report, in a format specified by the commission, specifying the
8.15 number of utility heating service customers whose service is disconnected or remains
8.16 disconnected for nonpayment as of September 15 and October 1 ~~and October 15~~. If customers
8.17 remain disconnected on ~~October 15~~ 1, a utility must file a report each week between
8.18 ~~November 1~~ October 15 and the end of the cold weather period specifying:

8.19 (1) the number of utility heating service customers that are or remain disconnected from
8.20 service for nonpayment; and

8.21 (2) the number of utility heating service customers that are reconnected to service each
8.22 week. The utility may discontinue weekly reporting if the number of utility heating service
8.23 customers that are or remain disconnected reaches zero before the end of the cold weather
8.24 period.

8.25 The data reported under this subdivision are presumed to be accurate upon submission
8.26 and must be made available through the commission's electronic filing system.

9.4 Sec. 7. Minnesota Statutes 2020, section 216B.243, subdivision 3b, is amended to read:

9.5 Subd. 3b. ~~Nuclear power plant; new construction prohibited; relicensing~~ **Additional**
9.6 **storage of spent nuclear fuel.** (a) ~~The commission may not issue a certificate of need for~~
9.7 ~~the construction of a new nuclear-powered electric generating plant.~~

301.11 and obligations of the account to the chairs and ranking minority members of the senate
301.12 and house committees with jurisdiction over energy policy and finance, the public utility,
301.13 and the advisory group.

301.14 (r) A project receiving funds from the account must produce a written final report that
301.15 includes sufficient detail for technical readers and a clearly written summary for nontechnical
301.16 readers. The report must include an evaluation of the project's financial, environmental, and
301.17 other benefits to the state and the public utility's ratepayers. A project receiving money from
301.18 the account must submit a report that meets the requirements of section 216C.51, subdivisions
301.19 3 and 4, each year the project funded by the account is in progress.

301.20 (s) Final reports, any mid-project status reports, and renewable development account
301.21 financial reports must be posted online on a public website designated by the commissioner
301.22 of commerce.

301.23 (t) All final reports must acknowledge that the project was made possible in whole or
301.24 part by the Minnesota renewable development account, noting that the account is financed
301.25 by the public utility's ratepayers.

301.26 (u) Of the amount in the renewable development account, priority must be given to
301.27 making the payments required under section 216C.417.

- 9.8 ~~(b)~~ Any certificate of need for additional storage of spent nuclear fuel for a facility
 9.9 seeking a license extension shall address the impacts of continued operations over the period
 9.10 for which approval is sought.
- 9.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

301.28 Sec. 2. **[216C.391] MINNESOTA STATE COMPETITIVENESS FUND.**

- 301.29 Subdivision 1. Establishment; purpose. (a) A state competitiveness fund account is
 301.30 created in the special revenue fund of the state treasury. The commissioner must credit to
 301.31 the account appropriations and transfers to the account. Earnings, such as interest, dividends,
 301.32 and any other earnings arising from assets of the account, must be credited to the account.
 302.1 Money remaining in the account at the end of a fiscal year does not cancel to the general
 302.2 fund but remains in the account until expended. The commissioner must manage the account.
- 302.3 (b) The money in the account must be used to:
- 302.4 (1) meet requirements to match federal funds awarded to the state by the United States
 302.5 Department of Energy or another federal entity;
- 302.6 (2) increase Minnesota's ability to successfully compete for federal funds;
- 302.7 (3) assist eligible entities to access available federal funds; or
- 302.8 (4) pay the reasonable costs incurred by the department to:
- 302.9 (i) pursue and administer energy-related federal funds; and
- 302.10 (ii) assist eligible grantees in the pursuit and management of energy-related federal
 302.11 funds.
- 302.12 (c) State matching grants may be awarded to eligible entities, as defined by the federal
 302.13 fund source, with priority given in the following order:
- 302.14 (1) federal formula funds directed to the state that require a match;
- 302.15 (2) federal formula or competitive funds in which a state match allows disadvantaged
 302.16 communities, utilities, or businesses to be competitive in the pursuit of funding; and
- 302.17 (3) all other competitive or formula grant opportunities in which matching state funds
 302.18 enhance or enable federal dollars to be leveraged.
- 302.19 (d) By August 1, 2022, the department must establish and convene a Minnesota State
 302.20 Competitiveness Fund Advisory Task Force.
- 302.21 (e) By October 1, 2022, the advisory task force must develop administrative procedures
 302.22 governing the determination of state grants so that the grant money is prioritized, to the
 302.23 extent practicable, in an equitable manner.

- 302.24 Subd. 2. **Advisory task force; membership.** (a) The Minnesota State Competitiveness
302.25 Fund Advisory Task Force is established and consists of 13 members as follows:
- 302.26 (1) the commissioner of commerce or the commissioner's designee, who serves as a
302.27 nonvoting chair of the advisory task force;
- 302.28 (2) the chair of the house of representatives committee having jurisdiction over energy
302.29 finance and policy or the chair's designee;
- 303.1 (3) the chair of the senate committee having jurisdiction over energy finance and policy
303.2 or the chair's designee;
- 303.3 (4) the chair of the Public Utilities Commission or the chair's designee, as a nonvoting
303.4 member; and
- 303.5 (5) nine members determined by the commissioner and chairs that represent the following
303.6 interests and entities:
- 303.7 (i) two members representing Minnesota utilities;
- 303.8 (ii) one member representing labor;
- 303.9 (iii) two members representing energy justice, rural, low-income, or historically
303.10 disadvantaged communities;
- 303.11 (iv) one member representing clean energy businesses;
- 303.12 (v) one member representing manufacturing;
- 303.13 (vi) one member representing higher education; and
- 303.14 (vii) one member with policy or implementation expertise on workforce development
303.15 for displaced energy workers or persons from low-income or environmental justice
303.16 communities.
- 303.17 (b) A voting member serving on the Minnesota State Competitiveness Fund Advisory
303.18 Task Force and the voting member's respective organization are ineligible from receiving
303.19 state matching funds authorized under this section. A nominal stipend may be provided
303.20 from grant funds to participating members who would otherwise be unable to attend.
- 303.21 Subd. 3. **Report; audit.** Beginning February 15, 2024, and each year thereafter until
303.22 February 15, 2035, the commissioner must report to the chairs and ranking minority members
303.23 of the legislative committees with jurisdiction over energy finance and policy regarding:
303.24 (1) grants and amounts awarded under this section during the previous year; and (2) the
303.25 remaining balance available under this section and any additional funding opportunities
303.26 that require additional funding beyond the remaining balance.

- 303.27 Sec. 3. [216C.45] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANTS; PILOT
303.28 PROGRAM.
- 303.29 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
303.30 the meanings given.
- 304.1 (b) "Contractor" means a person licensed under section 326B.33 to perform work required
304.2 under this section, or the licensed person's employer.
- 304.3 (c) "Electric panel" means a panel, including any subpanels, that consists of a main
304.4 circuit breaker that regulates several other circuit breakers to prevent overloading and
304.5 distributes electricity throughout a building.
- 304.6 (d) "Income eligible" means:
- 304.7 (1) a single-family residence whose residents received assistance from the federal
304.8 Low-Income Home Energy Assistance Program during the most recent program year or
304.9 who the commissioner determines are eligible to receive assistance under the federal
304.10 Low-Income Home Energy Assistance Program; or
- 304.11 (2) a multifamily building in which at least 66 percent of the units are occupied by
304.12 households whose income is 60 percent or less of the state median individual or household
304.13 income, as applicable.
- 304.14 (e) "Multifamily building" means a building that contains two or more units.
- 304.15 (f) "Phase I" means the phase of the program established in this section that begins when
304.16 the first grant application is received by the department and ends the later of one year after
304.17 the date the first grant application is received or when 40 percent of funds appropriated to
304.18 the program have been expended.
- 304.19 (g) "Phase II" means the phase of the program established in this section that begins
304.20 when Phase I terminates and ends when the appropriation made under article 1, section 2,
304.21 subdivision 2, paragraph (d), is exhausted.
- 304.22 (h) "Single-family residence" means a building that contains one unit or a manufactured
304.23 home, as defined in section 327.31, subdivision 6.
- 304.24 (i) "Unit" means a residential living space occupied by an individual or a household.
- 304.25 (j) "Upgrade" means:
- 304.26 (1) for a single-family residence:
- 304.27 (i) the installation of equipment or devices required to bring an electrical panel to a total
304.28 rating of not less than 200 amperes; and
- 304.29 (ii) the repair or replacement of the wiring attached to the equipment or devices in item
304.30 (i) to ensure safe operation; or

- 304.31 (2) for a multifamily building;
- 305.1 (i) the installation of equipment or devices required to bring an electrical panel to a rating
305.2 that allows for full electrification of the building, as described in National Electrical Code
305.3 Section 220; and
- 305.4 (ii) the repair or replacement of the wiring attached to the equipment or devices in item
305.5 (i) to ensure safe operation.
- 305.6 Subd. 2. **Program establishment.** A residential electric panel upgrade grant program
305.7 is established as a pilot program in the department to provide financial assistance to owners
305.8 of single-family residences and multifamily buildings to upgrade a residence's electric panel.
- 305.9 Subd. 3. **Application process.** An applicant seeking a grant under this section must
305.10 submit an application to the commissioner on a form developed by the commissioner. The
305.11 commissioner must develop administrative procedures to govern how eligibility is
305.12 determined, applications are reviewed, and grants are awarded. The commissioner is the
305.13 fiscal agent for the grant program and is responsible for reviewing applications and awarding
305.14 grants under this section. The commissioner may contract with a third party to conduct some
305.15 or all of the pilot program's operations.
- 305.16 Subd. 4. **Eligibility.** (a) In Phase I, an owner of a single-family residence that is
305.17 income-eligible is eligible to receive a grant under this section.
- 305.18 (b) In Phase I, an owner of a multifamily building that is income-eligible is eligible to
305.19 receive a grant under this section.
- 305.20 (c) In Phase II, all owners of single-family residences and multifamily buildings are
305.21 eligible to receive a grant under this section, regardless of the income of the occupants of
305.22 the building.
- 305.23 Subd. 5. **Grant awards.** (a) A grant may be awarded under this section to:
- 305.24 (1) an owner of a single-family residence or multifamily building;
- 305.25 (2) a contractor performing an upgrade, provided that the contractor submits to the
305.26 commissioner written consent from the owner of the single-family residence or multifamily
305.27 building receiving the upgrade to receive a grant on behalf of the owner; or
- 305.28 (3) a third party, provided that the third party submits to the commissioner written consent
305.29 from the owner of the single-family residence or multifamily building receiving the upgrade
305.30 to receive a grant on behalf of the owner.
- 306.1 (b) At the discretion of the commissioner, a grant may be awarded for a single-family
306.2 home or multifamily building that is not income eligible under this section to reimburse the
306.3 cost of an upgrade that has previously been installed.

- 306.4 Subd. 6. **Grant amount.** (a) A grant issued under this section must be used only to pay
306.5 the full equipment and installation costs of an upgrade made by an owner, subject to the
306.6 limits established in this subdivision.
- 306.7 (b) The maximum grant amount under this section that may be awarded per single-family
306.8 residence that is:
- 306.9 (1) income eligible is \$10,000; and
- 306.10 (2) not income eligible is \$1,000.
- 306.11 (c) The grant amount under this section that may be awarded per multifamily building
306.12 that is:
- 306.13 (1) income eligible is the sum of (i) \$9,500, plus (ii) \$500 multiplied by the number of
306.14 units containing a separate electric panel that received an upgrade in the multifamily building,
306.15 not to exceed \$50,000 per multifamily building; and
- 306.16 (2) not income eligible is the sum of (i) \$1,000, plus (ii) \$500 multiplied by the number
306.17 of units containing a separate electric panel that received an upgrade in the multifamily
306.18 building, not to exceed \$10,000 per multifamily building.
- 306.19 Subd. 7. **Limitation.** No more than one grant may be awarded to an owner under this
306.20 section for work conducted at the same single-family residence or multifamily building.
- 306.21 Subd. 8. **Outreach.** The department must publicize the availability of grants under this
306.22 section to, at a minimum:
- 306.23 (1) income-eligible households;
- 306.24 (2) community action agencies and other public and private nonprofit organizations that
306.25 provide weatherization and other energy services to income-eligible households; and
- 306.26 (3) multifamily property owners and property managers.
- 306.27 Subd. 9. **Report.** (a) No later than 120 days after the date each of Phases I and II of the
306.28 pilot program ends, the department must submit a report to the chairs and ranking minority
306.29 members of the legislative committees with primary jurisdiction over climate and energy
306.30 policy.
- 307.1 (b) The report must summarize program outcomes and must report separately, at a
307.2 minimum:
- 307.3 (1) the number of units in multifamily buildings and the number of single-family
307.4 residences whose owners received grants;
- 307.5 (2) the median income of the households in multifamily buildings and in single-family
307.6 residences whose owners received grants; and

- 307.7 (3) the average amount of grants awarded in multifamily buildings and in single-family
307.8 residences.
- 307.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 307.10 Sec. 4. **[216C.51] UTILITY DIVERSITY REPORTING.**
- 307.11 **Subdivision 1. Policy.** It is the policy of the state of Minnesota to encourage each utility
307.12 that serves Minnesota residents to focus on and improve the diversity of the utility's
307.13 workforce and suppliers.
- 307.14 **Subd. 2. Definitions.** (a) For the purposes of this section, the following terms have the
307.15 meanings given.
- 307.16 (b) "Certification" means official recognition by a governmental unit that a business is
307.17 a preferred vendor as a result of the characteristics of the business owner or owners or the
307.18 location of the business.
- 307.19 (c) "Utility" has the meaning given in section 216C.06, subdivision 18.
- 307.20 **Subd. 3. Annual report.** (a) Beginning March 15, 2023, and each March 15 thereafter,
307.21 each utility authorized to do business in Minnesota must file an annual diversity report to
307.22 the commissioner on:
- 307.23 (1) the utility's goals and efforts to increase diversity in the workplace, including current
307.24 workforce representation numbers and percentages; and
- 307.25 (2) all procurement goals and actual spending for female-owned, minority-owned,
307.26 veteran-owned, and small business enterprises during the previous calendar year.
- 307.27 (b) The goals under paragraph (a), clause (2), must be expressed as a percentage of the
307.28 total work performed by the utility submitting the report. The actual spending for
307.29 female-owned, minority-owned, veteran-owned, and small business enterprises must also
307.30 be expressed as a percentage of the total work performed by the utility submitting the report.
- 308.1 **Subd. 4. Report elements.** Each utility required to report under this section must include
308.2 the following in the annual report:
- 308.3 (1) an explanation of the plan to increase diversity in the utility's workforce and suppliers
308.4 during the next year;
- 308.5 (2) an explanation of the plan to increase the goals;
- 308.6 (3) an explanation of the challenges faced to increase workforce and supplier diversity,
308.7 including suggestions regarding actions the department could take to help identify potential
308.8 employees and vendors;
- 308.9 (4) a list of the certifications the company recognizes;

28.22 Sec. 23. Minnesota Statutes 2020, section 237.55, is amended to read:

28.23 **237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.**

28.24 The commissioner of commerce must prepare a report for presentation to the Public
 28.25 Utilities Commission by ~~January~~ March 31 of each year. Each report must review the
 28.26 accessibility of telecommunications services to persons who have communication disabilities,
 28.27 describe services provided, account for annual revenues and expenditures for each aspect
 28.28 of the fund to date, and include predicted program future operation.

29.28 Sec. 27. **ADVANCED NUCLEAR STUDY.**

29.29 Subdivision 1. **Study required.** (a) The commissioner of commerce must conduct a
 29.30 study evaluating the potential costs, benefits, and impacts of advanced nuclear technology
 29.31 reactor power generation in Minnesota.

30.1 (b) At a minimum, the study must address the potential costs, benefits, and impacts of
 30.2 advanced nuclear technology reactor power generation on:

308.10 (5) a point of contact for a potential employee or vendor that wishes to work for or do
 308.11 business with the utility; and

308.12 (6) a list of successful actions taken to increase workforce and supplier diversity, in
 308.13 order to encourage other companies to emulate best practices.

308.14 Subd. 5. **State data.** Each annual report must include as much state-specific data as
 308.15 possible. If a utility does not submit state-specific data, the utility must include any relevant
 308.16 national data the utility possesses, explain why the utility could not submit state-specific
 308.17 data, and explain how the utility intends to include state-specific data in future reports, if
 308.18 possible.

308.19 Subd. 6. **Publication; retention.** The department must publish an annual report on the
 308.20 department's website and must maintain each annual report for at least five years.

308.21 Sec. 5. Minnesota Statutes 2020, section 216E.03, subdivision 1, is amended to read:

308.22 Subdivision 1. **Site permit.** No person may construct a large electric power generating
 308.23 plant without a site permit from the commission. A large electric generating plant may be
 308.24 constructed only on a site approved by the commission. The commission must incorporate
 308.25 into one proceeding the route selection for a high-voltage transmission line that is directly
 308.26 associated with and necessary to interconnect the large electric generating plant to the
 308.27 transmission system and whose need is certified under section 216B.243.

308.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

30.3 (1) Minnesota's greenhouse gas emissions reduction goals under the Next Generation
 30.4 Energy Act, Laws 2007, chapter 136;
 30.5 (2) system costs for ratepayers;
 30.6 (3) system reliability;
 30.7 (4) the environment;
 30.8 (5) local jobs; and
 30.9 (6) local economic development.
 30.10 (c) The study must also evaluate:
 30.11 (1) current Minnesota statutes and administrative rules that would require modifications
 30.12 in order to enable the construction and operation of advanced nuclear reactors; and
 30.13 (2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors,
 30.14 while accounting for the avoided costs that result from the closure of coal-fired plants.
 30.15 Subd. 2. **Report.** The commissioner of commerce must submit the results of the study
 30.16 under subdivision 1 to the chairs and ranking minority members of the legislative committees
 30.17 having jurisdiction over energy finance and policy no later than January 31, 2023.
 30.18 Sec. 28. **DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED**
 30.19 **PLANT.**
 30.20 As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422,
 30.21 subdivision 2, but no later than December 31, 2025, the public utility that owns an electric
 30.22 generation facility that is powered by coal, scheduled for retirement in 2028, and located
 30.23 within the St. Croix National Scenic Riverway must provide, to the extent known, the public
 30.24 utility's plan and a detailed timeline to decommission and demolish the electric generation
 30.25 facility and remediate pollution at the electric generation facility site. The public utility
 30.26 must also provide a copy of the plan and timeline to the governing body of the municipality
 30.27 where the electric generation facility is located on the same date the plan and timeline are
 30.28 submitted to the Public Utilities Commission. If a resource plan is not filed or required
 30.29 before December 31, 2025, the plan and timeline must be submitted to the Public Utilities
 30.30 Commission and the municipality as a separate filing by December 31, 2025.
 30.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.
 31.1 Sec. 29. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF**
 31.2 **COMMERCE SUPPORT.**
 31.3 (a) The Department of Commerce may provide technical support and subject matter
 31.4 expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian
 31.5 tribes in Minnesota to establish a tribal advocacy council on energy.

309.1 Sec. 6. **DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED**
 309.2 **PLANT.**
 309.3 As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422,
 309.4 subdivision 2, but no later than December 31, 2025, the public utility that owns an electric
 309.5 generation facility that is powered by coal, scheduled for retirement in 2028, and located
 309.6 within the St. Croix National Scenic Riverway must provide, to the extent known, the public
 309.7 utility's plan and detailed timeline to decommission and demolish the electric generation
 309.8 facility and remediate pollution at the electric generation facility site. The public utility
 309.9 must also provide a copy of the plan and timeline to the governing body of the municipality
 309.10 where the electric generation facility is located on the same date the plan and timeline are
 309.11 submitted to the Public Utilities Commission. If a resource plan is not filed or required
 309.12 before December 31, 2025, the plan and timeline must be submitted to the Public Utilities
 309.13 Commission and the municipality as a separate filing by December 31, 2025.
 309.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.
 309.15 Sec. 7. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF**
 309.16 **COMMERCE SUPPORT.**
 309.17 (a) The Department of Commerce must provide technical support and subject matter
 309.18 expertise to help facilitate efforts taken by the 11 federally recognized Indian Tribes in
 309.19 Minnesota to establish and operate a Tribal advocacy council on energy.

31.6 (b) When providing support to a tribal advocacy council on energy, the Department of
 31.7 Commerce may assist the council:

31.8 (1) assess and evaluate common tribal energy issues, including (i) identifying and
 31.9 prioritizing energy issues, (ii) facilitating idea sharing between the tribes to generate solutions
 31.10 to energy issues, and (iii) assisting decision making with respect to resolving energy issues;

31.11 (2) develop new statewide energy policies or proposed legislation, including (i) organizing
 31.12 stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with
 31.13 policy proposal development, evaluation, and decision making, and (iv) helping facilitate
 31.14 actions taken to submit, and obtain approval for or have enacted, policies or legislation
 31.15 approved by the council;

31.16 (3) make efforts to raise awareness and provide educational opportunities with respect
 31.17 to tribal energy issues by (i) identifying information resources, (ii) gathering feedback on
 31.18 issues and topics the council identifies as areas of interest, and (iii) identifying topics for
 31.19 educational forums and helping facilitate the forum process; and

31.20 (4) identify, evaluate, and disseminate successful energy-related practices, and develop
 31.21 mechanisms or opportunities to implement the successful practices.

31.22 (c) Nothing in this section requires or otherwise obligates the 11 federally recognized
 31.23 Indian tribes in Minnesota to establish a tribal advocacy council on energy, nor does it
 31.24 require or obligate any one of the 11 federally recognized Indian tribes in Minnesota to
 31.25 participate in or implement a decision or support an effort made by an established tribal
 31.26 advocacy council on energy.

31.27 (d) Any support provided by the Department of Commerce to a tribal advocacy council
 31.28 on energy under this section may be provided only upon request of the council and is limited
 31.29 to issues and areas where the Department of Commerce's expertise and assistance is
 31.30 requested.

309.20 (b) When requested by a Tribal advocacy council on energy, the Department of Commerce
 309.21 must assist the council to:

309.22 (1) assess and evaluate common Tribal energy issues, including:

309.23 (i) identifying and prioritizing energy issues;

309.24 (ii) facilitating idea sharing among the Tribes to generate solutions to energy issues; and

309.25 (iii) assisting decision making with respect to resolving energy issues;

309.26 (2) develop new statewide energy policies or proposed legislation, including:

309.27 (i) organizing stakeholder meetings;

309.28 (ii) gathering input and other relevant information;

309.29 (iii) assisting with policy proposal development, evaluation, and decision making; and

309.30 (iv) helping facilitate actions taken to submit, and obtain approval for or have enacted,
 309.31 policies or legislation approved by the council;

310.1 (3) make efforts to raise awareness of and provide educational opportunities with respect
 310.2 to Tribal energy issues among Tribal members by:

310.3 (i) identifying information resources;

310.4 (ii) gathering feedback on issues and topics the council identifies as areas of interest;
 310.5 and

310.6 (iii) identifying topics for and helping to facilitate educational forums; and

33.1 Sec. 31. **REPEALER.**

33.2 Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85,
33.3 article 7, section 9; and Laws 2021, First Special Session chapter 4, article 2, section 3,
33.4 subdivision 3, are repealed.

310.7 (4) identify, evaluate, disseminate, and implement successful energy-related practices.

310.8 (c) Nothing in this section requires or otherwise obligates the 11 federally recognized
310.9 Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it
310.10 require or obligate a federally recognized Indian Tribe in Minnesota to participate in or
310.11 implement a decision or support an effort made by a Tribal advocacy council on energy.

310.12 (d) Any support provided by the Department of Commerce to a Tribal advocacy council
310.13 on energy under this section must be provided only upon request of the council and is limited
310.14 to issues and areas where the Department of Commerce's expertise and assistance is
310.15 requested.

310.16 Sec. 8. **REPEALER.**

310.17 Laws 2017, chapter 5, section 1, is repealed.